VCU

Board of Visitors

AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE
Thursday, February 26, 2026
1:30 p.m.[1]
The Honorable Benjamin Lambert III Board Room
1213 East Clay Street
Richmond, VA

AGENDA

1. **CALL TO ORDER**   Hon. Peter Farrell, *Chair*
   1 minute (1:30 - 1:31 p.m.)

2. **ACTION ITEMS**
   1 minute (1:31 - 1:32 p.m.)   Hon. Peter Farrell, *Chair*
   a. Approval Minutes November 20, 2025

3. **AUDITOR OF PUBLIC ACCOUNTS -**   Ms. Amy Stokes, *Director,*
   REPORTS FOR FISCAL YEAR   *Auditor of Public Accounts*
   ENDING JUNE 30, 2025
   15 minutes (1:32 - 1:47 p.m.)

4. **REPORT FROM THE CHIEF AUDIT & COMPLIANCE**   Ms. Suzanne Milton, *Chief*
   EXECUTIVE   *Audit and Compliance*
   20 minutes (1:47 - 2:07 p.m.)   *Executive*
   a. Committee Dashboard Measures
   b. Integrity and Compliance Office Update
   c. Internal Quality Assessment Review
   d. Audit Recommendations Root Cause Analysis
   e. Audit Reports
      i. U.S News & World Report – Data Integrity
      ii. Procurement – Travel Reimbursements

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[1] The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.

f. Handout: FY26 Audit Workplan Status
g. Semi-Annual Follow Up Status
h. Student Affairs Follow Up Status

5. **INFORMATION TECHNOLOGY UPDATE**   **Mr. Alex Henson,** *Chief Information*
   8 minutes (2:07 - 2:15 p.m.)   *Officer*

6. **CLOSED SESSION –** *Freedom of Information*   **Hon. Peter Farrell**, *Chair*
   Act Sections 2.2-3711 (A) (1), (7), (8) and (19) specifically:
   1 minute (2:07 - 2:08 p.m.)

   a. Audit Reports for Discussion   **Mr. David Litton,** *Director,*
      10 minutes (2:08 - 2:18 p.m.)   *Audit and Management Services*
      i. VCU Police IT Review
      ii. Faculty Information System (School of Medicine)
          IT Review

   b. University Counsel Litigation Update   **Mr. Jake Belue,** *Associate*
      10 minutes (2:18 - 2:28 p.m.)   *University Counsel*

7. **RETURN TO OPEN SESSION AND**   **Hon. Peter Farrell**, *Chair*
   CERTIFICATION
   2 minutes (2:28 - 2:30 p.m.)

8. **OTHER BUSINESS**   **Hon. Peter Farrell**, *Chair*
   2 minutes (2:30 - 2:32 p.m.)

9. **ADJOURNMENT**   **Hon. Peter Farrell**, *Chair*
   2:32 p.m.

In accordance with the Board's operating procedures and in compliance with the Virginia Freedom of Information Act, there will be no opportunity for public comment at this meeting.

Auditor of Public Accounts
Audit Exit Memorandum
Virginia Commonwealth University
February 26, 2026

I. Attendees:

- Auditor of Public Accounts

    o Amy Stokes, Project Manager
    o Melinda Crawford, Auditor In-Charge
    o Danese Seabourne, ISS Manager

II. Auditor's Opinion on Financial Statements

- We have issued an unmodified opinion on the University's financial statements for the year ended June 30, 2025. Our opinion will be included in the University's Financial Statement Report.

- Based on the report of other auditors, we also issued an unmodified opinion over the University's discretely presented component units.

- An emphasis of matter paragraph was included in the financial statement opinion due to the implementation of GASB Statement 101 – Compensated Absences. This standard was discussed in Note 1 in the University's financial statements.

III. Significant Audit Adjustments

- All audit adjustments included within the **Appendix** were reviewed with management and recorded in the audited financial statements.

- There were no uncorrected financial statement misstatements.

IV. Report on Internal Controls

- We issued a separate report on Internal Controls and Compliance that was distributed to the Secretary of Education, Board of Visitors, and Management. We obtained a sufficient understanding of internal controls to plan our audit and to determine the nature, timing, and extent of testing performed.

- Commonwealth Single Audit Report

    o Anticipated release date: February 13, 2026

- Corrective Action Plan

    o State-required corrective action plan is due to the Department of Accounts within 30 days after the Commonwealth Single Audit report is released; however, the Department of Accounts may accelerate the required submission of the corrective action plan for the Commonwealth to comply with the federal report submission due date requirements at §200.512(a).

      ○ Corrective action plans should not contain sensitive information, including but not limited to: names of information systems, protected personally identifiable information, etc., because both will be made available to the public.

V.   Audit Findings and responses included in the Fiscal Year 2025 University Report

- Management recommendations included in report:

    1. **Improve Internal Controls Over Financial Reporting for Capital Assets**
       Type: Internal Control
       Severity: Significant Deficiency[1]
       First Reported: 2024

    2. **Improve Router Security – FOIAE**
       Type: Internal Control and Compliance
       Severity: Significant Deficiency[1]

    3. **Improve Physical and Environmental Security Program Policy and Processes – FOIAE**
       Type: Internal Control and Compliance
       Severity: Significant Deficiency[1]

    4. **Improve IT Risk Management Procedures and Process – FOIAE**
       Type: Internal Control and Compliance
       Severity: Significant Deficiency[1]

VI.   Additional Testwork Results

- We found no indications of fraudulent transactions or illegal acts.

- There were no material changes to accounting and reporting policies and standards during the year.

- There were no material alternative accounting treatments identified as a result of the 2025 audit.

- We concur with management's application of accounting principles.

- We reviewed the basis used for accounting estimates used, noting that such amounts appear to be reasonable based on available information and that estimation methodology is consistent with prior periods.

- There were no significant unusual transactions or significant accounting policies in controversial or emerging issues.

- There were no significant difficulties encountered during the audit.

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[1] A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

- There were no disagreements with management about auditing, accounting, or disclosure matters.

VII.   Other Items and Known Changes for Next Year's Audit

- Upcoming GASB standards for next fiscal year:
    - GASB 103 – Financial reporting Model Improvements (will have an impact)
    - GASB 104 – Disclosure of Certain Capital Assets (likely to have an impact)

- Any additional items that the Board would like to discuss.

<u>Restriction on Use</u>

This information is intended solely for the use of management and the Board of Visitors of Virginia Commonwealth University and is not intended to be, and should not be, used by anyone other than these specified parties.

Appendix – Adjustments to Financial Statements

Description/Justification of Misstatement	Financial Statement and Line-Item – Misstatement Amount	Net Position Impacted (Yes/No)
Component Unit (VCU Health System Authority) – Construction-in-Progress recorded in Depreciable Capital Assets versus Non-depreciable Capital Assets on the Statement of Net Position	*Statement Net Position* • Non-depreciable capital assets, $33,439,261 • Depreciable capital assets, ($33,439,261)	No
University – Improper classification of transactions on the Statement of Cash Flows	*Statement of Cash Flows* • Payments to Suppliers, $39,445,695 • Payments for Scholarships and Fellowships, ($35,323,332) • Other Receipts (Payments), ($5,527,667) • Gifts, $2,578,794 • Proceeds from the Sale of Capital Assets Net Disposals, ($5,823,490) • Purchase of Capital Assets, $4,650,000 *Statement of Cash Flows Reconciliation* • Receivables, ($2,578,794) • Other Liabilities, ($4,650,000) • Capital Asset Acquired through the Assumption of a Liability, $5,823,490	No

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

VCU is advancing through the initial phase of the HelioCampus data warehouse. With the technology implementation complete, the team has begun discovery meetings with data stewards to establish the foundation for student data validation and prepare for the next phase of integrations. The Data and Information Management Council (DIMC) will be formally relaunched by the Provost and Meredith Weiss to guide enterprise data governance efforts.

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

No significant information security incidents have occurred since our last meeting, but we continue to observe an elevated threat level. A global cyber threat targeting the type of Virtual Private Network (VPN) VCU uses was launched in early September. VCU proactively placed the VPN behind a secondary proxy to limit exposure to the internet and safeguard the environment. As a next step in advancing the zero-trust security architecture, VCU will remove the legacy VPN in favor of a Zero-trust security access platform in the summer of 2026.

Other areas of effort include:

Penetration Testing: High-sensitivity and high-impact web applications (including REDCap, Fischer, and Tableau) have undergone a penetration test this period, and identified issues will be reviewed and addressed by the end of this calendar year.

Vulnerability Management Program Overhaul: Engaging with an external service provider to review vulnerability management strategy and methods to improve the identification and handling of vulnerabilities while minimizing false-positives.

Data Security Posture Management: Started reviewing data classification and leveraging the current Zero Trust Network Access (ZTNA) platform for enhanced review of how sensitive data is being handled. Upon completion of the monitoring session, we will develop an enhanced strategy to manage data flow from university devices.

Emerging Risks: Continued discussion on emerging federal cybersecurity compliance requirements associated with research and academic areas, and completed rule mappings. Continuing the development of AI Governance program with the advancement in AI governance policy and increased visibility in how Generative AI tools are being used in VCU.

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.

New ERM management software has been approved and implementation is underway. The draft charter is currently under review and will be sent to current steering committee members in February and executive sponsors after that.

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

Planned Audits: Planned audits are back to green based on completion of carryover audits and the hiring of a research auditor

INSTITUTIONAL COMPLIANCE PROGRAM

███ **Compliance requirements compared to known material violations**

███ **Compliance Program Oversight & Effectiveness**

Notes: **Compliance is green based on the completion of the remediation phase of the Clery project and the adoption of the Clery policy.**

U.S. News & World Report Best Colleges Ranking - Data Integrity

Final Report
January 8, 2026

Audit and Compliance Services

Overview

U.S. News & World Report (*U.S. News*) Best Colleges Ranking is an annual set of rankings of colleges and universities in the United States, which was first published by *U.S. News* in 1983. VCU's undergraduate *U. S. News* survey is completed by the Director of Institutional Research (IR) and reviewed by the Vice Provost (VP) for Institutional Research and Decision Support (IRDS) and Data Strategy (DS). Rankings are the sum of weighted scores across 17 indicators to determine each school's overall score and rank as shown in the table below.

Indicator	2025 National Universities Weight for Schools with Usable SAT/ACT
Graduation rates	16%
First-year retention rates	5%
Graduation rate performance	10%
Pell graduation rates	5.5%
Pell graduation performance	5.5%
College grad earning more than a high school grad	5%
Borrower debt	5%
Peer assessment	20%
Financial resources per student	8%
Faculty salaries	6%
Full-time faculty	2%
Student-faculty ratio	3%
Standardized tests	5%
Citations per publication	1.25%
Field-Weighted citation impact	1.25%
Publication share in the top 5% of Journals by CiteScore	1%
Publication share in the Top 25% of Journals by CiteScore	0.5%
Total	100

Source: Methodology *U.S. News & World Report* 2025 Best College

Peer Assessment Survey

The peer assessment survey is a measure of how a school/college (school) is regarded by top administrators at other institutions and accounts for qualitative attributes of schools that may not be fully captured by the other ranking factors. *U.S. News* sends the survey to high-ranking academic officials for undergraduate and many graduate programs. These surveys are also sent to industry professionals in areas such as engineering, business, law, education and nursing. *U.S. News* asked deans, program directors, and senior faculty to judge the academic quality of programs in their field on a 5-point scale from 1(marginal) to 5 (outstanding) for the 2025 survey. As shown in the chart above the peer assessment survey counts as 20% of an institution's overall calculation. *U.S. News* collected the most recent data by administering peer assessment surveys for other schools in spring and summer 2024. Of the 4,665 academics who were sent questionnaires, 30.7% responded. The peer assessment response rate in 2024 for National Universities was 41%.

Due to the historically low response rate, the peer assessment score is calculated from a

weighted, two-year rolling average of ratings on academic quality it received. Peer assessment survey responses are not shared publicly. However, *U.S. News* uses the aggregated, anonymized data from these surveys to calculate rankings for schools and programs, which may be shared with schools upon request.

Graduate Programs

In addition to the undergraduate survey, each year, *U.S. News* ranks professional schools and programs in business, education, law, engineering, medicine and nursing. Data for the rankings in these disciplines come from statistical surveys and often from peer assessment surveys sent to academics and professionals in respective fields. Assessments are conducted twice a year, in fall and spring. Other programs in public affairs, public health, and computer science are assessed annually and solely by peer surveys. *U.S. News* periodically ranks programs in the sciences, social sciences and humanities, health, and many other fields based only on peer assessment surveys. VCU's College of Engineering, School of Business, School of Medicine, School of Nursing and School of Education submit survey responses to *U. S. News* on their respective graduate programs.

Issue with Rankings in the News

During the past decade, there have been several schools that have made national news for providing incorrect information on the *U.S. News* surveys, thereby inflating their rankings. Two notable schools such as Columbia University and Temple's Fox School of Business have faced consequences in their misrepresentation of data provided to *U.S. News*.

According to an article from *Inside Higher Ed* (December 2020) Temple was fined $700,000 by the U.S. Department of Education and ultimately paid over $17 million in settlements, fines, and legal fees. This led to reporting reform at Temple that includes a dedicated Data Verification Unit. In addition, the former Fox School of Business dean was convicted of wire fraud and conspiracy in November 2021 by the Department of Justice, and later sentenced to 14 months in prison and required to pay a $250,000 fine. The misrepresentation from the Fox School of Business began in 2014 and ended in 2018.

According to an article in Higher ED Dive in July 2022 *U.S. News* delisted Columbia University from that year's Best Colleges rankings, citing that the institution failed to validate data it submitted. Then earlier this year (July), Columbia University agreed to pay $9 million to settle a proposed class action by students who claimed it submitted false data, between fall 2016 and spring 2022, to boost its position in *U.S. News* college rankings (undergraduate). A University official wrote in a statement that Columbia is settling to avoid "protracted and costly litigation" and denies "allegations to misreporting or other misconduct." Columbia announced in June 2023 that its undergraduate programs would withdraw from participating in *U.S. News* rankings altogether. *U.S. News* recently decided to rank Columbia University in the 2026 edition of Best Colleges. Columbia's ranking is based on data submitted by Columbia to the United States Education Department's National Center for Education Statistics. According to *U.S. News*, this decision will be evaluated for future editions.

While the two incidents above are the more recent and known, in 2012 alone, there were four institutions that admitted to submitting incorrect data to *U.S. News* to boost their rankings. They were Emory University, Tulane University, Claremont McKenna College and George Washington University.

Purpose

The objectives of the audit were to determine whether:
- There were existing policies, procedures, standards, or guidelines for compiling select VCU data for *U.S. News* surveys and were they sufficient and adhered to
- Data submitted to *U.S. News* was reasonable as compared to previous submissions
- Data submitted to *U.S. News* did not differ from that sent to other sources, or from data reported on the University's websites
- Individuals responsible for compiling and reporting *U.S. News* data had that responsibility included in their annual evaluation goals

Scope and Audit Procedures

Our scope of *U.S. News and World Report* Best Colleges Rankings encompassed 2025 published rankings.

Our audit procedures included:
- Inquiry regarding documented policy and/or procedures for compiling data to complete the surveys
- Review of University policies regarding data and information governance
- Review of the Common Data Set
- Data analysis of rankings between 2023 and 2025
- Inquiries of selected graduate programs as to their procedures during the completion of *U.S. News* surveys
- Comparison of *U.S. News* rankings to information posted on select VCU websites
- Review of performance evaluations for select individuals with responsibility for *U.S. News* surveys

Summary of Major Business Issues and Management's Action Plans

Develop a Policy, Related Controls and Monitoring Procedures for External Reporting (including *U.S. News & World Report* Ranking Surveys)

While we did not observe issues with VCU's reported data, during research for this audit, we noted several cases where other educational institutions were investigated and/or delisted from the U.S. News and World Report rankings due to falsifying or being unable to substantiate information on their surveys. As a result of these actions, some institutions have developed a central policy for the compilation and dissemination of data. One institution has even gone as far as to only allow data to be compiled and disseminated by a central office.

Per discussions with the VP of IRDS, DS and the director of IR, the University has historically relied upon a significantly decentralized external data reporting process. In addition, the University does not have a specific policy regarding collection and reporting of data to external parties, including *U.S. News*. The *U.S. News* general survey was prepared by the Director of Institutional Research. However, VCU has five schools that complete and submit surveys directly to *U.S. News* on graduate programs. Of those five schools, three did not have documented procedures on how or where to obtain the data needed to complete the survey. In addition, the highest level of management that reviewed the data prior to submission to *U.S. News*, in the five schools, was either an associate, assistant or senior associate dean.

After review of the policy library, we confirmed that, in addition to there not being a policy on *U.S. News* reporting, there is not a policy on other types of data externally reported. At least three VCU vice presidents have expressed concerns over the data quality assurance process and related controls of externally reported data, including concerns noted by the VP for IRDS, DS.

We recommend the university develop a central policy that would:
- Involve additional stakeholders that report external data when developing the policy
- Require schools/colleges to maintain documented procedures for compilation of *U.S. News* surveys as well as any other external reporting to include school/college monitoring and oversight
- Require a dean level review, as well as a central reviewer of data prior to submission, which would include a comparison of data points over at least three years for *U.S. News*
- Require VPs to develop and maintain an inventory of all external reporting (a starting point could be the University Compliance's Accountability Matrix) and share with IRDS
- Require VP or designee review for all external reporting that is not routine or could result in fines, litigation, or reputational impact, particularly where the institution is being ranked or compared
- Include a central repository for maintaining source documents and program coding
- Update responsible employee position descriptions and evaluation goals to account for reporting, and review activities
- Determine parties allowed to seek and manipulate data reported to *U.S. News* and similar data
- Determine the authorization needed by the data custodian of *U.S. News* and similar data to release data for usage.

Documented policy and procedures will help to ensure consistency in reporting and in detecting significant variances between reporting years that should be investigated prior to submission.

Management's Action Plan: *Concur. We concur with the audit finding and will develop a university policy that establishes clear requirements, controls, and review processes for external reporting, including U.S. News & World Report submissions in two phases:*

- *Phase I: The Vice Provost for Institutional Research, Decision Support, and Data Strategy in collaboration with the appropriate vice presidents and the Integrity and Compliance*

Office will develop an interim policy to address the recommendation items noted above. This will be completed by June 30, 2026

- *Phase II: The Vice Provost for Institutional Research, Decision Support, and Data Strategy, in collaboration with the appropriate vice presidents and the Integrity and Compliance Office, will convene a policy development committee and advance a draft through VCU's Creating and Maintaining Policies and Procedures process. This work will include stakeholder consultation, development of a draft policy and Executive Summary, a 30-day public comment period, and required governance reviews, followed by submission for approval to the appropriate bodies.*

Responsibility: Vice Provost for Institutional Research, Decision Support, and Data Strategy
Completion date: January 31, 2027

Conclusion

In our opinion, based on the results of our audit, *U.S. News & World Report* Best Colleges Rankings Data Integrity:

- There were no central existing policies, procedures, standards, or guidelines for compiling select VCU data for *U.S. News* surveys
- Individuals responsible for compiling and reporting *U.S. News* data did not have that responsibility included in their evaluation goals
- Data submitted to *U.S. News* was reasonable as compared to previous submissions
- Data submitted to *U.S. News* did not differ from that sent to other sources, or from data reported on the University's websites

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:

Constance Peyton	Director, Institutional Research
Michael Bourgeois	Vice Provost for Institutional Research and Design Support, Data Strategy
William Nelson	Senior Vice Provost for Academic Administration and Operations
Jay Bonfili	Senior Associate Vice President for Health Sciences – Finance and Administration
Arturo Saavedra	Interim Provost and Senior Vice President for Academic Affairs

Our audit was conducted in conformance with the *Global Internal Audit Standards* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Chief Audit and Compliance Executive
Audit and Compliance Services
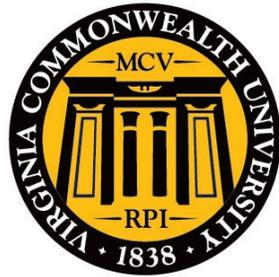
Procurement Services
Travel Reimbursements

Final Report
January 21, 2026

Audit and Compliance Services

Overview

Procurement Services reviews travel reimbursements via Chrome River/Emburse Enterprise (Chrome River), and Collegiate Travel Partners (which is required for all travel that includes rail and airfare), to validate compliance with policy and support VCU's strategic plan, as noted on Procurement Service's website, with a customer-focused, strategic, and sustainable approach. While the department is small, there is little turnover and its leaders have extensive knowledge and tenure with the university between them. Procurement maintains a general travel policy as well as procedures and guidelines that are actively updated to aid travelers and approvers. Procurement is also available for travelers and approvers to contact via email with any travel questions they may have. Procurement leaders provide hands-on training for new Central Office employees, ensuring they quickly gain an understanding of the travel process. When new or uncommon travel situations arise, all employees within the department are part of a discussion to ensure all are aware of how the situation should be handled. Total travel reimbursements for Fiscal Year 2025 were approximately $12.6 million across 18,769 approved expense reports, compared to $11.8 million across 17,921 approved expense reports in the prior year.

Purpose

The objectives of the audit were to determine whether:
- There was adherence with policies, procedures, and guidelines
- Training was provided to Central staff and departmental approvers, and is adequate
- There was adequate central review of reimbursement requests

Scope and Audit Procedures

Our scope of Procurement Services – Travel Reimbursements encompassed fiscal year 2025 as a targeted review focused on the reimbursements process.

Our audit procedures included:
- Review of existing travel policies, procedures, and guidelines
- Inquiry of Travel Services about what monitoring procedures are regularly performed
- Analytical review for duplicate reimbursements
- Analytical procedures of high reimbursement activity among schools/departments and individual travelers
- Evaluation of training provided to approvers and Central Office staff
- Testing a sample of reimbursements for sufficient supporting documentation and review

Summary of Major Business Issue and Management's Action Plan

<u>Provide Training to Travel Approvers and Perform Regular Routine Monitoring of Approvals Accuracy</u>

Departmental approvers are responsible for gaining an understanding of university travel policies, procedures, and guidelines, and must approve each reimbursement request. As of the date of our testing, Procurement did not require training for departmental approvers. During our testing, 13 of our 25 substantive testing selections did not reflect an appropriate review or provide exception documentation. Nine of these 13 exceptions were due to a traveler's or a travel approver's failure to follow policies or guidelines, and four exceptions were due to inadequate documentation provided by the traveler or the traveler's approver. Some examples include: three instances of unnecessary rental vehicles, as well as associated hotel parking, two instances of the Enterprise/National state contract not being utilized when available, two instances of provided meals not deducted from per diems, two instances of duplicative per diems, and two instances of excessive taxi/Uber rides. We note that these exceptions occurred at the pre-approval and departmental approval points in the process, and are not the result of Procurement's review.

Nine of these 13 exceptions had no system flags, and, therefore, were not reviewed by Procurement. System flags enable Procurement to capture many potential errors on issues of concern. When a reimbursement item is flagged in the system, Procurement reviews that specific item and notifies the traveler/departmental approver if more information is needed, or if an update needs to be made. Once satisfied, Procurement approves the reimbursement item. However, it is not possible for Procurement to create a system flag for every situation that may arise. As of the date of our testing, Procurement had 136 system flags set.

We further note that Procurement's monitoring procedures do not include routine testing on a sample basis of reimbursement requests to determine their general accuracy.

We recommend Procurement provide required training for all travel approvers, as well as perform routine testing of reimbursement requests to evaluate if departmental approvers performed an adequate review, and monitor results to identify trends in problematic areas that may arise.

Providing training to travel reimbursement approvers as well as routinely testing and monitoring key results should result in less errors in the reimbursements and prevent inappropriate reimbursement requests.

Management's Action Plan: *Concur. Summarized action plan description.*
Responsibility: Ramona L. Taylor, Director of Contracts and Compliance
Completion date: September 30, 2026

In July 2025, the Office of Procurement Services (OPS) reorganized to better align internal functions. As part of this realignment, the Travel/Expense Reimbursement and CorpCard teams were moved under the Contracts and Compliance division. Following an assessment by the now-Director of Contracts and Compliance (DCC), a strategic plan was launched to modernize training, hire a Special Projects Manager (SPM), and overhaul existing systems.
Below is the status of current initiatives:

Training and Onboarding Development

- **New Hire Overview:** The DCC and the Travel, Expense, and CorpCard Manager (TECM) are collaborating with VCU Human Resources to develop a mandatory "New Hire Overview" training. This certification-based course will cover travel processes, compliance rules, and available resources. **(Target Completion: Summer 2026)**

- **Approver Training:** The TECM is currently revising training specifically for travel approvers. While new formal presentations are being finalized, the team continues to provide one-on-one support, virtual office hours, and monthly updates to the Fiscal Administrators group. **(Target Completion: Summer 2026)**

Process and Website Enhancements

- **Web Resource Overhaul:** Since October 2025, the DCC and the new SPM have been redesigning the OPS website. The updated Travel and Expense pages will feature clearer process guidance, updated definitions, and instructional videos. **(Target Completion: Spring 2026)**

Compliance and Audit Controls

- **Internal Controls (ARMICS):** Leadership is expanding internal control testing for travel reimbursements within the Agency Risk Management and Internal Control Standards (ARMICS) framework, including larger sample sizes. **(Target Completion: Late Spring 2026)**

- **Routine Sample Reviews:** The TECM and DCC will implement semi-annual routine sample audits. Findings from these reviews will be used to refine automated rules and flags within the Emburse Enterprise (formerly Chrome River) system. **(First Review: Spring 2026)**

- **Annual Reporting:** The TECM will produce an annual report summarizing travel and expense issues using data analytics from various compliance tools, including Card Integrity. This report will include information on any patterns of non-compliance and exceptions. This data will drive supplemental guidance published on the OPS Blog to address common challenges and policy updates.

Risk Management Project

- **Candex:** Leadership is actively exploring a process change to streamline non-employee travel reimbursements and reduce the significant administrative burden currently placed on the OPS Business System, Accounts Payable, and Travel/Expense Reimbursement teams. The proposed change involves migrating all non-employee reimbursements to the Candex vendor platform. Initial meetings and service reviews have already occurred. The new protocol will launch once necessary process and policy revisions are finalized. **Target Completion: Early Spring 2026)**

Conclusion

In our opinion, based on the results of our audit, *Procurement Services – Travel Reimbursements:*
- There were adequate policies, procedures, and guidelines
- Adequate training was provided to Central staff, but there was no formal training provided to departmental approvers
- Central review of reimbursement requests was adequate

Additional recommendations to strengthen Procurement Services – Travel Reimbursements operations regarding enhancing the policy, training departmental approvers, and the monitoring process, were 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:

Modestine Carter	Travel, Expense and CorpCard Manager, Procurement Services
Ramona Taylor	Director of Contracts and Compliance, Procurement Services
John McHugh	Executive Director, Procurement Services
David Allen	Associate Vice President of Finance and Deputy Chief Financial Officer
Meredith Weiss	Senior Vice President for Finance and Administration and CFO

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

Chief Audit and Compliance Executive
Audit and Compliance Services

Audit and Management Services
Status of Fiscal Year 2026 Audit Work Plan
<u>February 05, 2026</u>

Area	Status
Carryovers	
Financial & Operational Audits:	
Business Services	Complete
Student Affairs – Office of Student Conduct and Academic Integrity	Complete
Enrollment Management	Substantially Complete*
Data Integrity – US News Rankings	Complete
IT Audits:	
Decentralized Server Review	Management Review
VCU Police IT Review	In Progress
Current Year Risk-based Audits and Assessments	
Financial & Operational Audits:	
Equity and Access Services	In Progress
Procurement – Travel	Complete
Public Safety and Security – ICCR	In Progress
School of Public Health – ICCR	Substantially Complete*
Development and Alumni Relations	In Progress
Occupational Health and Safety	Not Started
OVPRI – Human Research Protection Program	Not Started
Honors College – ICCR	Not Started
IT Audits:	
Faculty Information Systems (SoM) – IT Control Review	In Progress
JAMF Pro – IT Control Review	Not Started
Research Applications and Data Storage	Not Started
Horizon Virtual Desktop Infrastructure	Not Started
Artificial Intelligence Governance Review	Not Started
Annual Engagements and Activities	

Audit and Management Services
Status of Fiscal Year 2026 Audit Work Plan
<u>February 05, 2026</u>

VCU Police Department – Unannounced Property Inspection – FY26 Part 1	Complete
President's FY 25 Discretionary Fund and Travel Activity Review	Complete
Audit Risk Assessment for FY 2027 Plan	In Progress
Semi-Annual Review of Audit Recommendations Outstanding	In Progress
VCU Police Department – Unannounced Property Inspection – FY26 Part 2	Not Started

Special Project	Status
<u>Continuing Projects</u>	
State Employees Fraud, Waste, and Abuse Hotline	In Progress – 0; Closed -
Special Projects	In Progress – ; Closed -

*In reporting phase at time of board material compilation

Report Date	Report Title	Finding and Brief Description	Risk Level (Note 1)	Original Due Date	Due Date Reported September 2025 Mtg	VP on Target	VP	New Target Date	Explanation for Delay (If applicable)
Aug-23	Academic and Executive Administrator Contracts	**Complete Efforts to Standardize a Policy Statement and Procedures for Academic Administrator Contracts** - Review of documented guidance used in the development of contracts for academic administrators who may relinquish administrative duties, did not include a standard policy nor procedures statement that required salary adjustment to their original faculty position. Without standard policy and procedures, units develop unique approaches to compensation, resulting in a confusing and inconsistent process.	Moderate	Dec-24	Jul-26	Y	Arturo Saavedra	N/A	
Jul-24	The College of Health Professions ICCR	**Improve Fixed Asset Inventory Reporting** - No proper disposal or transfer of fixed assets (including surplus property) documentation were available.	Moderate	May-25	Feb-26	Y	Arturo Saavedra	N/A	
Oct-24	Payroll Processes	**Continue Effort with Human Resources to Reduce Overpayments** - According to a recent study of six calendar years (2018 – 2023), overpayments were $674,464, of which $476,322 was recovered and unrecoverable tax and benefits payments were $44,748, leaving $173,393 in process of collection. Human Resources and Payroll have collaborated on efforts to address causes of overpayments, conducting the aforementioned study to determine causes and amounts, meeting with departmental Human Resource Aids and Professionals and making training presentations about the issue.	High	Sep-25	Sep-25	Complete pending audit review	Meredith Weiss	N/A	Progress has been made but re-evaluation demonstrated need for greater effort. Additional efforts have been made since the original target date but now are complete. However, not enough time for activity in this area to allow for followup testwork. Audit will followup at the end of Q1 2026.
Nov-24	HR Compensation and Classification	**Evaluate Potential Overutilization of Incorrect Usage of the Promotions in Place Process** - We performed an analysis on the full population of 655 promotions in place. While the policy indicates a typical range of 3%–5%, many in the population were above that range. Specifically, 105 employees (16% of the population) received a 20% or higher salary increase, and only 69 employees (10.5%) were within the 3-5% guideline. Additionally, promotions in place are often used for promotions into leadership roles. Approximately 115 of 655 (17.5%) promotions in place occurred with employees whose working titles were Director level and above. Since approval is not required from VCU HR, there may be overutilization of this tool as well as significant inconsistencies between schools and units as to how this tool is being utilized. Based on our review, some of the promotions in place could have been considered a reorganization which would have required the use of a recruitment waiver and approval by VCU HR	Moderate	Dec-25	Dec-25	Complete pending audit review	Meredith Weiss	N/A	Process has been updated as of 12/31/2025. However, not enough time for activity in this area to allow for follow-up testwork. Audit will followup at the end of Q1 2026 (JL)
Aug-25	DaVinci Center	**Improve Records Management Process** - The DaVinci Center did not maintain a records inventory, nor did they destroy records in a timely manner, as required by university policy in accordance with the Library of Virginia Record Retention Rules.	Moderate	Jun-26	Jun-26	Y	Arturo Saavedra	N/A	
Oct-25	Business Services	**Improve Processes to Remove Fixed Assets From VCU Inventory Timely** - VCU Fixed Asset policy requires that custodians record any disposal or transfers of fixed assets in the Banner fixed asset module within five days of disposal or transfer. The department did not appropriately notify VCU Fixed Assets of 66 items that had been disposed until April 2025. Of these 66 items, ten had been disposed in FY25, 34 in FY24, 18 in FY23 and one in FY22. There were three items for which the documentation could not be located. In addition, in each of the years noted above, the fixed asset custodian and fiscal administrator signed off on the Certification of Physical Inventory of Fixed Assets form certifying that the fixed asset listing was accurate. This resulted in an overstatement of the university's fixed assets by an estimated $243,000, which was the remaining book value of the 66 items that should have been removed. These 66 items constitute 17% of the fixed assets on the VCU inventory for Dining Services.	High	Apr-26	Apr-26	Y	Meredith Weiss	N/A	
Oct-25	Treasury Services	**Investigate Further Information Security Measures Around Email Controls and Fund Transfers** - Treasury Services has adequate information security and administrative practices in place to sufficiently safeguard current investment funds transfer activities. Protecting the integrity of investment funds requires a multi-layered approach with control processes to help prevent unauthorized fund movements. Administrative controls include dual approval measures, daily review of executed transactions, and regular reconciliation procedures. They also practice technology security procedures to restrict access and online approval authority. The Chief Information Security Officer (CISO) conducts an annual risk assessment that includes Treasury Services. The CISO believes that Treasury Services' security procedures and enterprise information security software, such as ZScaler and CrowdStrike (Secure Access Service Edge and End-point security software, respectively), adequately protect Treasury Services investment activity. In addition, he indicated Information Security can help implement cost effective measures such as workstation virtualization and web browser security that may provide additional risk reduction. Additionally, Collaboration Services that manages the university's Gmail environment, suggested additional email security measures which could help reduce Business Email Compromise risk. The measures include removing the ability to automatically forward emails, tagging newly created email domains, and discontinuing automatic additions of email contacts.	High	Sep-26	Sep-26	Y	Meredith Weiss	N/A	
Oct-25	Division of Student Affairs - Office of Student Conduct and Academic Integrity	**Strengthen Student Organization Misconduct Case Documentation in Maxient - (Summary of Issue)** SCAI has inadequate case management documentation with regard to student organization misconduct.	High	Feb-26	Feb-26	Y			
Oct-25	Division of Student Affairs - Office of Student Conduct and Academic Integrity	**Adhere to Documented Investigation Procedures and Review for Procedural Gaps** - SCAI has not developed specific procedures for investigating allegations or determinations of possible hazing incidents. In addition, SCAI has not developed procedures to address conducting investigations in relation to the "Alcohol and Other Drugs" policy specifically relating to underage alcohol usage.	High	May-26	May-26	Y	Arturo Saavedra	N/A	
Oct-25	Division of Student Affairs - Office of Student Conduct and Academic Integrity	**Institute Independent Review and Monitoring Controls Over Case Management** - SCAI does not have a process for reviewing cases to confirm or comment on results, completeness of documentation, or evaluate adequacy of investigative steps and recommended sanctions. SCAI previously reviewed case documentation, but discontinued the practice due to staffing shortages and to expedite case resolution and sanctioning. Lack of review contributed to the inadequacy of documentation noted in the case example noted above. Without an independent review process, case investigation may be substandard, resulting in errors, increasing risks to campus safety and leaving incident resolutions or sanctions at risk of dispute or litigation.	High	Dec-26	May-26	Y	Arturo Saavedra	N/A	
Oct-25	Division of Student Affairs - Office of Student Conduct and Academic Integrity	**Strengthen Sanctioning Processes - (Action Summary)** SCAI asserted that they created Sanctioning Guidelines by aligning them with other Virginia universities. The Guidelines do not include enhanced enforcement or monitoring measures for offenses involving hazing or underage alcohol consumption. Per the interim associate dean and director of SCAI, the Guidelines were designed according to whether it would be best to inactivate or try to retain and rehabilitate offending organizations, rather than linking the sanctions to seriousness of the offense. Furthermore, employees who conducted investigations determined sanctions without review by the next level of management or an independent knowledgeable party. This was due to limited, trained resources to develop review guidelines and to conduct secondary review.	Moderate	Jun-26	Jun-26	Y	Arturo Saavedra	N/A	
Oct-25	Division of Student Affairs - Office of Student Conduct and Academic Integrity	**Establish Procedures for Determining and Documenting Clery Reportability** - During our review of fraternity and sorority conduct investigative practices and sanctions, we identified that SCAI does not have procedures for determining or documenting Clery reportable cases.	Moderate	May-26	May-26	Y	Arturo Saavedra	N/A	
IT Audits									
Aug-24	Canvas IT Security Audit	**Disable Insecure LTI Protocols** - Learning Systems currently allows faculty to install applications that use Learning Tools Interoperability (LTI) protocol versions the vendor no longer supports. Faculty install software at the course level to assist students and enhance their course curriculum. Software using insecure network protocols with exploitable vulnerabilities.	Moderate	Jun-26	Jun-26	Y	Meredith Weiss	N/A	
Apr-25	Academic Advising Tools IT Control Review	**Complete the DRP and Perform Annual Tests** - There is not a Disaster Recovery or Continuity Plan to support the application. Student Enrollment is actively working on the plans and finalizing them is contingent on moving the application to internal infrastructure.	Moderate	Apr-26	Apr-26	Y	Arturo Saavedra	N/A	
Apr-25	Academic Advising Tools IT Control Review	**Evaluate Record Retention for Academic Advising Tools** - The application stores data going back to 2008. Student Enrollment will evaluate the record retention timelines with stakeholders that utilize the application and delete data that is not necessary.	Moderate	Dec-25	Dec-25	Y	Arturo Saavedra	N/A	
Aug-25	IT Vulnerability Management	**Evaluate Vulnerability Remediation Responsibilities** - Application administrators are responsible for remediating application vulnerabilities for the applications they support. Sometimes, these duties are given to staff without IT backgrounds and this can create a backlog of vulnerabilities being present in the environment. Technology Services and Information Security are evaluating the staffing and resources to remediate this issue.	High	Aug-26	N/A	Y	Meredith Weiss	N/A	
Aug-25	IT Vulnerability Management	**Enhance Vulnerability Management Reporting Capabilities** - There are not any vulnerability aging reports Information Security is consistently running from Rapid 7. These reports will show the age of and severity of the vulnerabilities to pinpoint staff who are not consistently remediating vulnerabilities on their server and/or application.	High	Aug-26	N/A	Y	Meredith Weiss	N/A	
Aug-25	IT Vulnerability Management	**Enforce the Vulnerability Remediation Escalation Process** - Information Security has a process to inform managers that the staff reporting to them are not remediating vulnerabilities timely, however, they are not following this process.	High	Aug-26	N/A	Y	Meredith Weiss	N/A	
Aug-25	IT Vulnerability Management	**Reconcile IT Assets against Authoritative Server and Application Inventory** - Information Security does not have a process in place to review the servers in the authoritative server inventory and compare it to servers reporting in the Rapid 7 application to ensure all servers are receiving scans.	High	Jun-26	N/A	Y	Meredith Weiss	N/A	
Oct-25	Housed Server Security Audit	**Evaluate Server Support Model** - The university offers a hosted and a housed server support model. Housed servers reside at the data center but have server administrators within departments and schools. This requires them to meet all IT Standard and Baseline requirements versus the staff within the university computing center. Technology Services and Information Security leadership are evaluating whether the Housed model should continue.	High	Mar-26	N/A	Y	Meredith Weiss	N/A	
Oct-25	Housed Server Security Audit	**Communicate and Reconcile Crowdstrike Requirements for Housed Servers** - The IT Baseline for Linux servers did not have a requirement to have Crowdstrike endpoint detection software on all servers. Information Security updated this and communicated this to all staff and is working to ensure Crowdstrike is on all servers.	Moderate	Sep-26	N/A	Y	Meredith Weiss	N/A	
Oct-25	Housed Server Security Audit	**Evaluate Installation of IT Security Tools on Environmental Sciences Servers** - Research servers at the Rice Center did not have certain enterprise security tools installed. The server administrator is working with Technology Services and Information Security to install and test the enterprise tools.	Moderate	Apr-26	N/A	Y	Meredith Weiss	N/A	
Oct-25	Housed Server Security Audit	**Evaluate Compensating IT Security Controls for Engineering Servers and Submit Security Exceptions** - Engineering has research servers that require long duration research job to run and this hinders their ability to timely patch the servers for vulnerabilities. The recommendation is for Engineering to evaluate how to patch more timely or submit security exceptions with compensating controls	Moderate	Jun-26	N/A	Y	Meredith Weiss	N/A	

Note 1 - High Risk findings are reported to the Board. Moderate Risk reported to management only unless past due.

Code of Conduct

Virginia Commonwealth University

A Word from Our President

The values and ethical principles of Virginia Commonwealth University are the foundation of our Code of Conduct, a document that provides a framework for helping our complex and varied community live, work and learn together.

The Code helps foster an environment where everyone can thrive, and where we treat every human being with civility, professionalism, respect and empathy. It takes every one of us to ensure that VCU lives up to the values and ethical principles outlined in this code: accountability, achievement, collaboration, freedom, innovation, service, opportunity and integrity. Those values support our efforts to work with transparency, pursue excellence, foster a climate of trust and respect, cultivate discovery and creativity, strive for intellectual truth with responsibility and civility — and adhere to the highest standards of professional and scholarly ethics.

These principles are central to our mission and should serve as a lens for every choice and decision we make.

As members of a university learning and research community, we share a deep commitment to education, innovation and discovery. As stewards of public resources and trust, we share responsibility for creating an environment that is supportive, collaborative and safe, that supports all members of our university community.

Sincerely,

Michael Rao, Ph.D.
President, VCU

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WELCOME & OVERVIEW

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Vision and Values **01**

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Welcome to the

VCU Code of Conduct

In this document you will find important information about how you can and should help VCU maintain a collegial community in which we respect one another through ethical conduct.

Before we begin, it is important to frame the contents of this Code of Conduct.
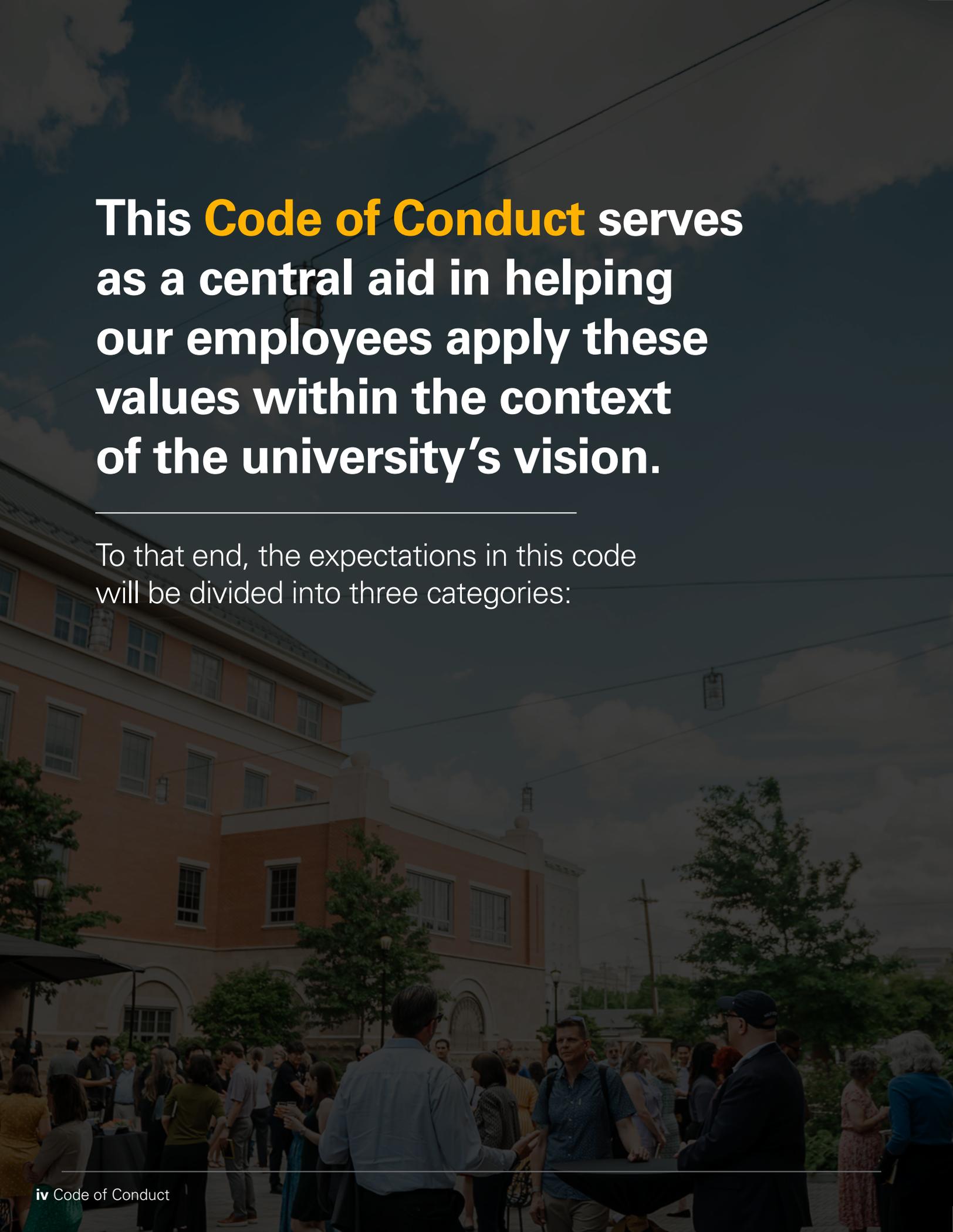
This **Code of Conduct** serves as a central aid in helping our employees apply these values within the context of the university's vision.

To that end, the expectations in this code will be divided into three categories:

1 AT VCU

How we treat each other

2 WITH VCU

How we work with external partners

3 BEYOND VCU

How we engage with the larger community

INTRODUCTION:
VISION AND VALUES

"As a leading national, urban, public university and academic health center, **Virginia Commonwealth University** will be distinguished by its commitments to access and excellence; innovative and transformative learning; impactful research; exceptional patient care; and beneficial community impact."

QUEST 2028
VISION STATEMENT

In addition to this vision statement, the university maintains these **core VCU values**.

Accountability

Commit to the efficient and transparent stewardship of our resources to achieve institutional excellence

Achievement

Pursue excellence in learning, research and scholarly pursuits; service; and patient care

Collaboration

Foster respect, collegiality and cooperation to advance learning, entrepreneurship and inquiry

Freedom

Strive for intellectual truth with responsibility and civility, respecting the dignity of all individuals

Innovation

Cultivate discovery, creativity, originality, inventiveness and talent

Integrity

Adhere to the standards of honesty, respect, and professional and scholarly ethics

Service

Engage in the application of learning and discovery to improve the human condition and support the public good at home and abroad

Opportunity

Uphold a climate of mutual trust and respect where individuals of different backgrounds, identities, abilities and life experiences are embraced, engaged and empowered to drive excellence and success

Whether you are working **AT VCU**, with partners who work **WITH VCU** or **BEYOND VCU**, the way you behave should reflect our **VCU Values**.
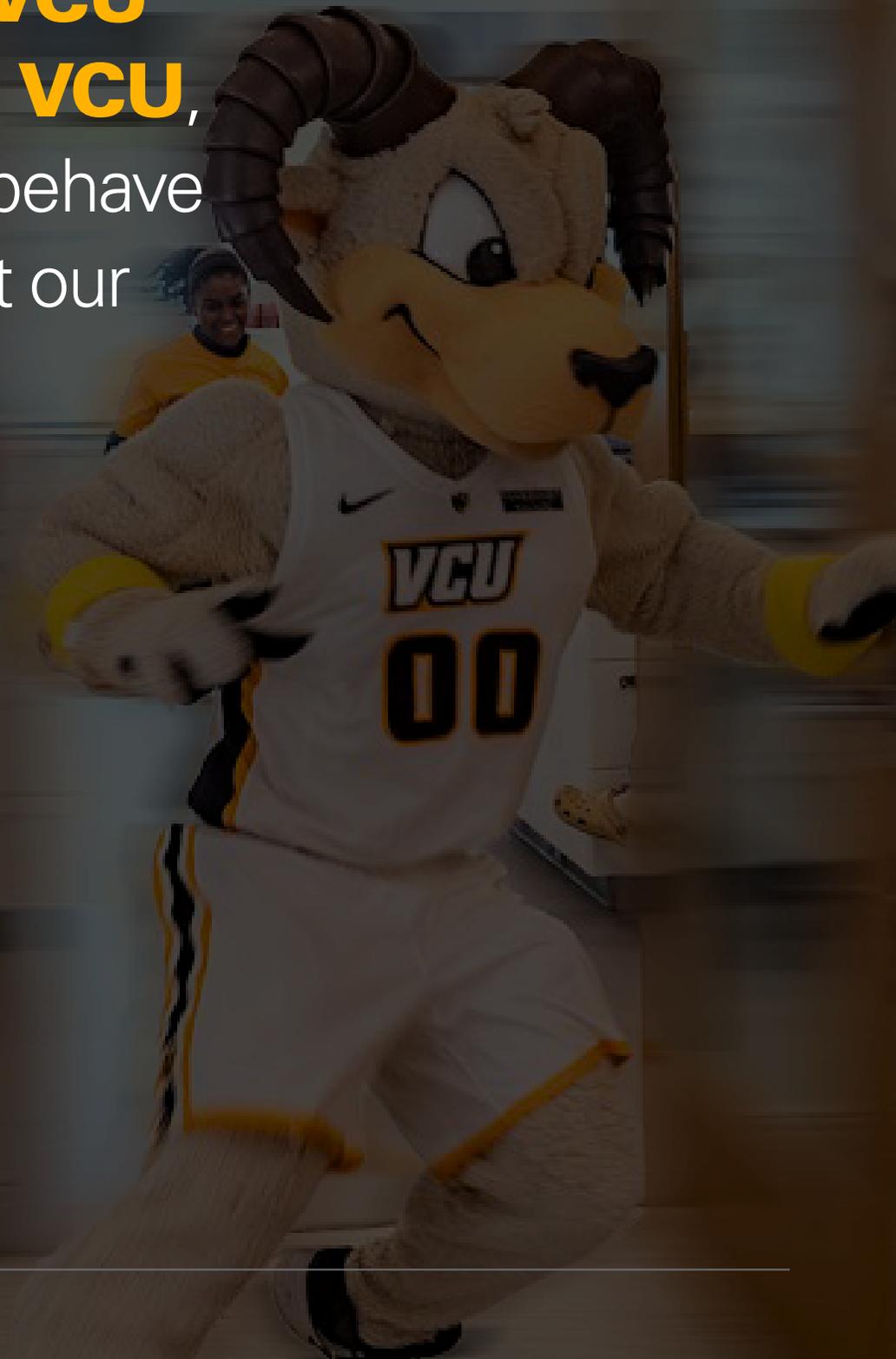
AT VCU

How we treat each other

AT VCU

How we treat each other

VCU is a complex institution with numerous academic and administrative units, divisions, offices and teams. While our work can vary from biological and technological research to teaching, and from facilities management to data analysis, we are bound together by a collective responsibility to one another and to the mission of VCU.

How do we fulfill this?

Foster a Collegial Workplace Culture

To help promote a Culture of Care, where all in our community feel welcome, we

- Practice courtesy, respect and civility. While our viewpoints, backgrounds, identities and life experiences differ, we have a collective responsibility to show courtesy, respect and civility to others to maintain a positive and productive work environment.

- Refrain from unprofessional or disruptive conduct, which includes engaging in unlawful harassment or discrimination.

- Abstain from abusive/disruptive conduct, including verbal, physical and sexual abuse and the threat of these.

- Use common sense. If you find something offensive, chances are others will, too. When in doubt, err on the side of caution.

Create a Safe Work Environment

To keep one another safe, we

- Follow workplace health and safety laws and support those who enforce them.
- Complete required safety training and drills.
- Refrain from unsafe behaviors that could harm others.
- Report all accidents, injuries, and unsafe practices immediately.

Maintain a Secure Environment

To keep our institutional and personal data and intellectual property (IP) safe, we

- Follow IT Security protocols.
- Keep computer hardware and software up to date.
- Lock our computer screen when we leave our desk.
- Remove sensitive data from
    - our work area.
    - whiteboards and walls during virtual meetings.
- Follow state and federal privacy laws and regulations, such as FERPA and HIPAA, when those apply.

Related VCU Policies and Guidelines

Expectations of Ethical Conduct

Preventing and Responding to Discrimination

Campus Expression and Space Utilization

Information Security Policy

Workers Compensation Guidelines

Family Educational Rights and Privacy Act

Some employees may have additional policies to follow, depending on their role and their unit.

FOR MANAGERS:

If I'm a manager, what additional responsibilities do I have to ensure we treat each other well?

As a manager or leader at VCU, you set the tone. Treating employees and colleagues in a respectful and professional manner and showing every employee that they are valued are the first steps in fostering a Culture of Care. You can do this by being present and connecting with employees. You should also look for opportunities to talk about our VCU Values and to teach employees how to ensure safety and security by performing routine training, practice and drills.

By staying connected with all members of your team, you'll be able to confirm that you're treating each other well, you're working safely — and securing all property and data. You'll also know when more support is needed to help you maintain a culture of care.

WITH VCU

How we work with external partners

WITH VCU

How we work with external partners

VCU's policy and practice is to only do business with vendors who follow the law and act in line with the University's commitment to integrity and compliance.

How do we ensure this?

As employees of VCU, along with Procurement Services, we must ensure that:

- Appropriate approvals are obtained before purchases.

- Goods and services are procured in a fair and impartial manner without the appearance of impropriety.

- Purchases have a valid business purpose and are procured in line with our internal processes.

- Invoices are paid using the correct funds and are delivered in a timely manner.

- Contractors and vendors are treated with appropriate respect and that respect is reciprocated.

- Instances of attempted bribery or other inappropriate behavior by third parties are reported immediately.

- Any proposed gifts to or from contractors, vendors, or third parties are handled in accordance with VCU policy and Virginia laws.

- Individuals engaging in research carefully monitor their interactions with third parties to ensure that those interactions are in compliance with export control regulations and other regulations governing foreign contacts.

- We disclose and resolve potential conflicts of interest per VCU policy and the laws of the Commonwealth of Virginia.
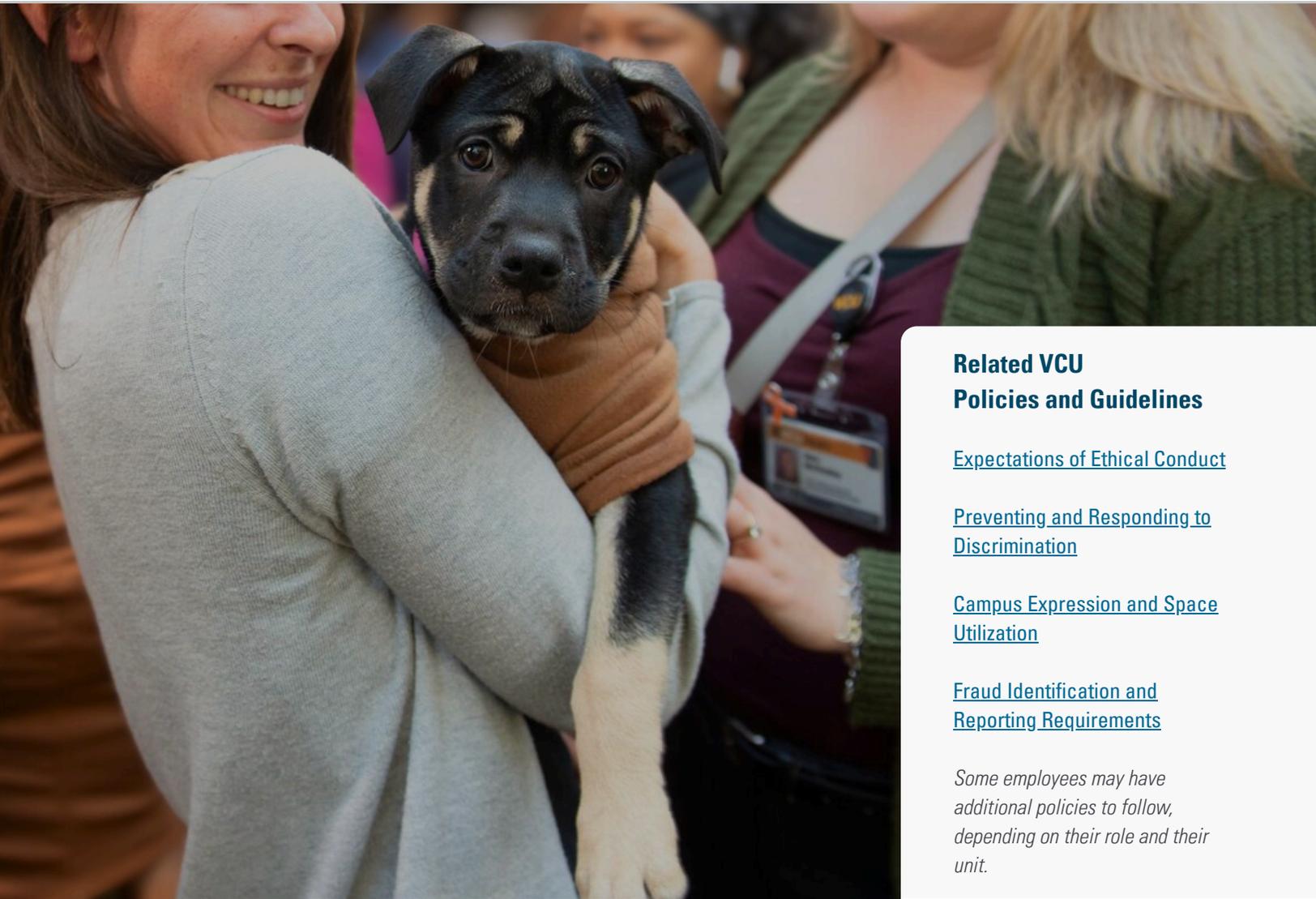
FOR MANAGERS:

*If I'm a manager, what additional responsibilities do I have to ensure
employees know how to work with external partners?*

As a manager or leader at VCU, employees may come to you when they need to partner
with a third party to perform their duties.

You can ensure they understand how to do this by teaching them the correct procedure or
directing them to the person in charge of procurement for your team. You can also talk
about proper procurement procedures during staff meetings, and include a discussion of
conflicts of interest, the requirement to disclose conflicts, and restrictions on giving and
receiving gifts from third parties.

BEYOND VCU

How we engage with the larger community

BEYOND VCU

How we engage with the larger community

The way we conduct ourselves and interact with people in the communities beyond our campuses becomes a reflection of VCU. Our reputation and the many functions we perform within those communities are affected by public perception. Protecting that reputation so we can continue to serve in our local, regional and global communities is just another facet of our collective responsibility.

How can we ensure our continued positive impact as members of the larger community?

Public Stewardship

As a public institution of higher education, we must exercise reasonable care to ensure that state resources are not wasted or misused. These resources include:

Equipment   **Software**   **Network Systems**   **Records**

Funds   **Facilities**   **Vehicles**   **Time**

Many VCU employees lead busy and fulfilling lives, enjoying relationships with other people, organizations and institutions within the larger community. We welcome such participation, but we recognize that the potential for conflicts of interest increases as a result.

Conflicts of Interest include circumstances where your own personal interests or the interests of loved ones may impact or appear to impact decisions you make or actions you take at work. For example, you may hire a VCU student to watch your pets while you're on vacation; if you also teach that student, others might assume you will show that student special favor when grading their work. Similarly, if your sibling is a candidate for a role for which you are serving as an interview panelist, this may lead to a perception of favoritism. In both cases, disclosure is the first step in the process to comply with VCU policy. The next step, in most cases, is finding a resolution.

Conflicts of Commitment refer to the work you perform for another obligation outside of the university when it interferes with the duties you perform in your role at VCU. For example, if you have a part-time job or a volunteer position with another organization, it would be a conflict if you used VCU equipment and supplies to make copies for the other position while on the job at VCU, or used VCU work time to perform work for the other position. As a VCU employee, you must prioritize VCU during your work hours. Outside commitments should not detract from fulfilling your responsibilities to the university.

Most of the time, conflicts can be managed. If you think you might have a Conflict of Interest or Commitment, please report it to your manager or through VCU's electronic disclosure system as soon as possible to protect yourself and VCU and to provide an opportunity for resolution.

Gifts

The Commonwealth of Virginia has strict laws regarding state employees accepting gifts from individuals or entities doing business with or seeking to do business with the state, including the university. In general, any gifts VCU employees exchange with third parties (vendors, potential vendors, lobbyists) should be nominal in value (no more than $20.00) and should not be given with the expectation of something in return.

Employees may accept a gift from a student or the immediate family members of students, as long as the gift is not contingent upon the recipient taking some action. Gifts given or received in these circumstances should not exceed $20 in value. Employees may accept reasonable gifts from other employees. If an employee has a question about the reasonableness of the gift, they should contact the ICO for assistance.

More details are available in the FAQ section of the **Conflict of Interest** policy.

Written Communication and FOIA

As public servants at a public institution, most of our written communication, including emails, is subject to public disclosure under Virginia's Freedom of Information Act, or FOIA. The FOIA Office is responsible for receiving and fulfilling requests for information under the Act. As a VCU employee, your communications could be subject to disclosure. Should you receive a request for your public records, you have a responsibility to forward the request and responsive records to the FOIA office and cooperate as needed on the response. While VCU's Computer and Network Resources Use policy permits limited personal use of the university's email when it does not interfere with the performance of the user's job or other university responsibilities or other university functions and is otherwise in accordance with that policy, employees should be aware that all email communications may be subject to review to determine if the email is subject to mandatory disclosure in response to a FOIA request.

Social Media

VCU maintains social media accounts across various platforms. Official VCU social media accounts must be approved by and registered with Enterprise Marketing and Communications and are subject to the university's Social Media Acceptable Use policy. Employees who use VCU social media accounts are required to follow VCU policies and procedures governing social media. It is important for employees to ensure that when they express their opinions on social media they do so in their personal capacities, unless authorized to express an opinion on behalf of VCU.

Public Discourse

As an educational institution VCU recognizes the value of participation in public discourse. When doing so, it's important for employees to make clear that they are speaking as individuals, not as representatives of VCU. Similarly, university employees may not endorse a product or service or engage with government officials as a representative of VCU unless authorized to do so on behalf of VCU.

International Presence

VCU engages globally through our campus in Qatar and through international research and academic partnerships with institutions worldwide. **When engaging internationally or with global partners, employees are expected to adhere to the following guidelines:**

- **Legal compliance:** Employees must comply with laws and regulations of other countries, in addition to U.S. and university policies, when applicable. This includes the reporting of foreign gifts and contracts (see policy below).

- **Anti-corruption:** Employees must not offer, give, or accept anything of value from a foreign individual or organization for the purpose of facilitating a process or influencing a decision.

- **Travel requirements:** Employees must abide by travel requirements set for foreign travel related to their VCU role, including guidance to ensure data protection and personal safety.

- **Export Control:** Employees must ensure compliance with export control laws when engaging in international activities. If in doubt, consult **VCU's Export Compliance Program** for guidance.

- **Cultural Sensitivity:** Employees should be mindful and respectful of local customs, values, and practices when interacting with individuals or institutions abroad. Employees are expected to act as ambassadors of VCU, fostering positive intercultural relationships and avoiding behavior that could be seen as disrespectful or insensitive.

FOR MANAGERS:

If I'm a manager, what additional responsibilities do I have when engaging with the larger communities we serve?

As a manager or leader at VCU, you can make employees aware of VCU's presence within the local, regional, and global community, and share opportunities to volunteer. Make being an ambassador for VCU a topic of conversation, and demonstrate being a good member of the larger community through your own actions. If members of your team interact with colleagues in different countries, or travel internationally, ensure they understand the additional responsibilities that are involved.

RESOURCES FOR:
SPEAKING UP

Speaking Up

When you are unsure about whether an action or decision meets the expectations of the VCU Code of Conduct, the VCU Values, or federal or state regulations, ask yourself the following questions:

Is what I'm concerned about legal?

Could it possibly violate university policy?

Does it fit within the values of the university?

Is it in line with expectations for employees?

How could the action be perceived by others?

Resources for Speaking Up

If, after asking the questions above, you're still concerned, the following resources are available:

▶ A Person with Management Responsibility

Speaking with a manager is often a good place to start. But if you feel that a manager is not the best person to talk to, you have other options.

▶ The Integrity and Compliance Office

The ICO team is available to speak with you during normal business hours. The ICO takes reasonable precautions to maintain the privacy of a reporter who identifies themselves. However, due to the nature of the investigative process, anonymity cannot be guaranteed.

You can reach the ICO by phone at
(804) 828-2336

You can reach them by email at
ucompliance@vcu.edu

▶ The VCU Helpline

A team at the VCU Helpline is available 24 hours a day, 7 days a week, should you decide to speak with someone through our third-party partner. The VCU Helpline provides employees with the option of reporting concerns anonymously.

You can reach the Helpline by phone at
(866) 921-4971

or online at
vcuhelpline.com

Duty to Report and Protection from Retaliation

For an institution as large as VCU to be successful, it is imperative that every one of us feels comfortable speaking up when we are unsure of the right course of action, need advice, or believe that unethical or illegal conduct has occurred. **VCU's Duty to Report and Protection from Retaliation policy** provides protection from retaliation for individuals making a good faith report of suspected misconduct. VCU expects its employees to speak up. To help support that expectation, VCU also protects people who do.

The Investigative Process

At VCU, we take every report of a concern seriously. If a report indicates a possibility that our policies were violated, we select a neutral investigator who reviews documents, speaks to witnesses and writes a report of findings. The findings are provided to appropriate managers to support corrective action if required. We also review trends in our cases so that we can prevent violations going forward.

SCAN HERE
to learn more about
the investigative process.
or visit **acs.vcu.edu/investigations**

Related VCU Policies and Guidelines

Duty to Report Policy

Ethical Expectations of Conduct Policy

Some employees may have additional policies to follow, depending on their role and their unit.

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VCU BOARD OF VISITORS

Audit, Integrity and Compliance Committee

February 26, 2026

For Action: Approval of Minutes

- Audit, Integrity and Compliance Committee Meeting held on November 20, 2025

- Motion to approve the Minutes

VCU

Auditor of Public Accounts

Annual Audit for Year Ended June 30, 2025

- Independent Auditor's Report (opinion) on the

Financial Statements

- Report on Internal Control and Compliance
- Required Communications
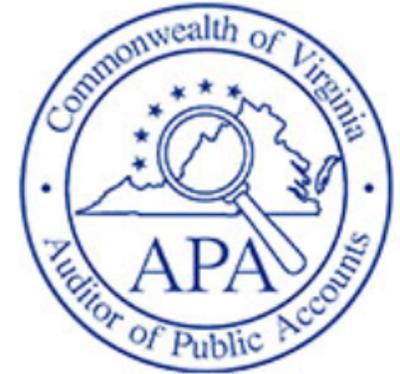
Committee Dashboard Measures

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

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VCU Board of Visitors

Audit, Integrity and Compliance Committee

February 2026

Integrity and Compliance FY 2026 Analysis YTD

2026 Total Volume Reported Concerns **122**

↓ 17.6% from FY 2025

Severity **8** High **17** Medium **97** Low

Top 5 Substantiated Concerns

Ethics Violation	2
Harassment	2
Conflict of Interest	1
Employee Relations	1
Improper Use of IP, Copyright Violations, or Software Piracy	1

Top 5 Reported Issues

Ethics Violation	13
Employee Relations	13
Abuse of Power, Authority, or Council	12
Retaliation or Retribution	10
Harassment	9

Anonymous Reporting Rate **18%**

Top 5 Locations

- Qatar Campus 6
- School of the Arts 6
- VP for Research and Innovation 14
- School of Medicine 16
- Off Campus 8

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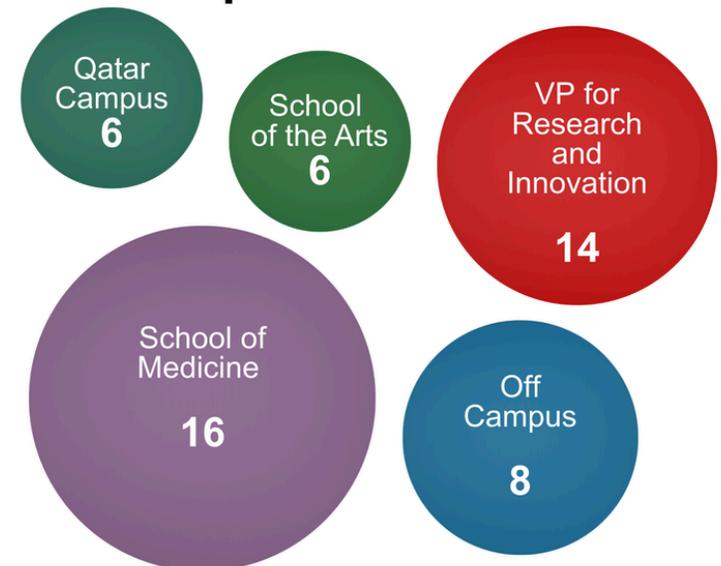
Overall Substantiation Rate YTD

- Unsubstantiated 13.1%
- Fully or Partially Substantiated 5.7%
- Undetermined 8.2%
- In progress 29.5%
- Other 30.3%
- Referral 13.1%
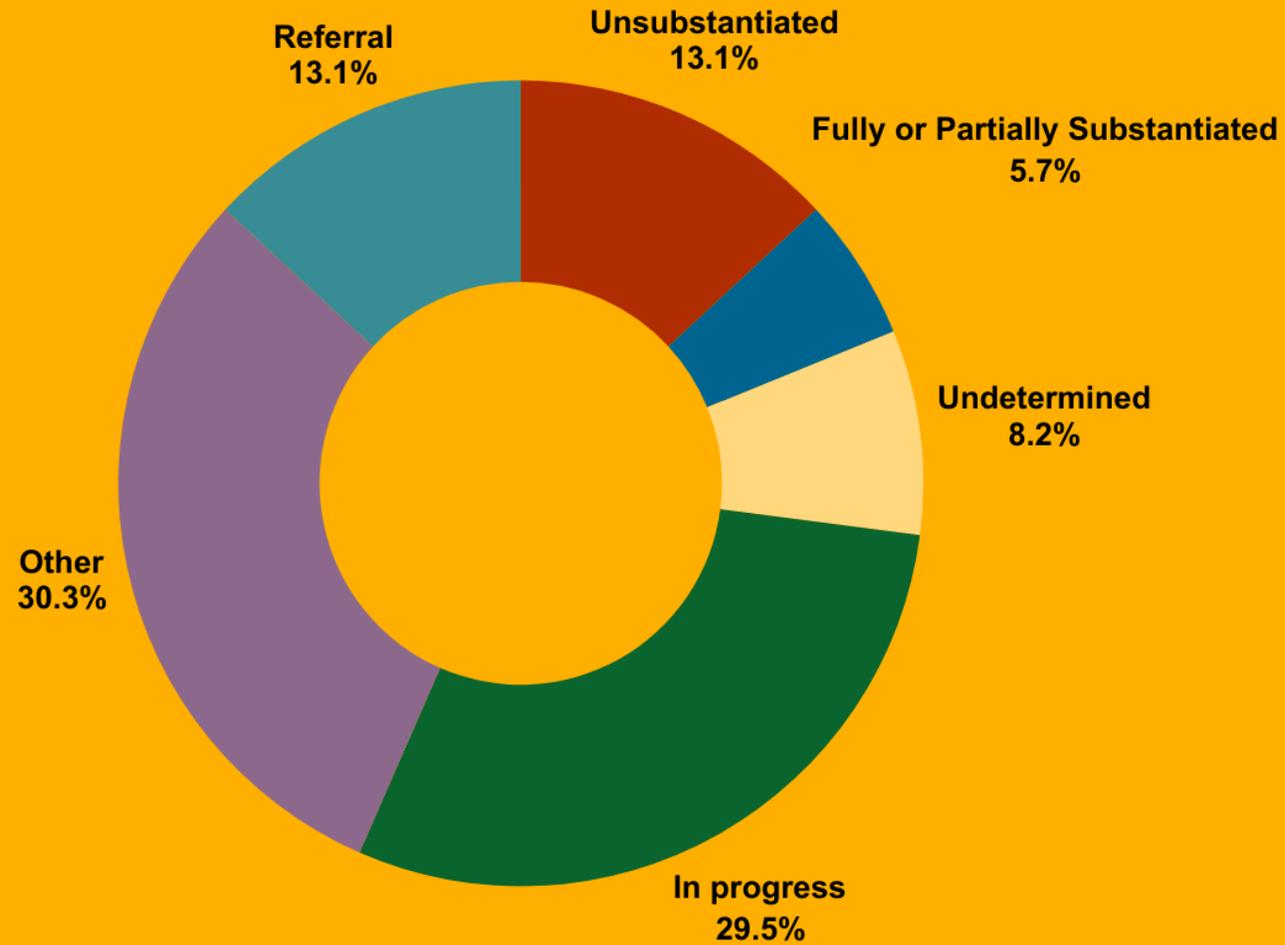
Internal Audit
Quality Assurance and Improvement Program

Results of 2025 annual assessment performed by internal audit quality manager:

- ✓ Generally Conforms with Global Internal Audit Standards

- ✓ Staff are independent and comply with Code of Ethics

- ✓ Continuous improvement observed to close the gaps identified in 2024 between the new Global Internal Audit Standards and department practices

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Audit Recommendations Root Cause Analysis

Root Cause Theme	Instances Per Theme
No Documented or Insufficient Procedures/ No Formal Process	28
Insufficient Training/Lack of Training	27
Lack of Monitoring/Oversight	25
Turnover and/or lack of resources	13
Lack of Assignment of Responsibility	6
Insufficient or No Policy	4
Auto-Renew Contract Language	3
Lack of Collaboration Between Departments/Units	2
Insufficient communication processes	1
IT Equipment Resides Outside of UCC	1
Lack of Awareness	1
Lack of Data Governance	1
Software Dependency on End-of-Support Operating Systems	1
Grand Total	**113**

U.S.News & World Report Best Colleges Ranking – Data Integrity

Purpose:

To Determine Whether:

- There were existing policies, procedures, standards, or guideline for compiling select VCU data for *U.S. News* surveys and were they sufficient and adhered to

- Data submitted to *U.S. News* was reasonable as compared to previous submissions

- Data submitted to *U.S. News* did not differ from that sent to other sources, or from data reported on the University's websites

- Individuals responsible for compiling and reporting *U.S. News* data had that responsibility included in their annual evaluation goals

Scope:

Our scope of *U.S. News World Report* Best Colleges Rankings encompassed 2025 published rankings

U.S.News & World Report Best Colleges Ranking – Data Integrity

Conclusion:

- There were no central existing policies, procedures, standards, or guidelines for compiling select VCU data for U.S. News Surveys

- Individuals responsible for compiling and reporting U.S. News data did not have that responsibility included in their evaluation goals

- Data submitted to U.S. News was reasonable as compared to previous submissions

- Data submitted to U.S. News did not differ from that sent to other sources, or from data reported on the University's websites

One Board level recommendation to develop a policy, related controls and monitoring procedures for external reporting (including U.S. News & World Report ranking surveys)

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Management concurs and will develop a university policy that establishes clear requirements, controls, and review processes for external reporting, including U.S. News & World Report submissions in two phases:

- *Phase I: The Vice Provost for Institutional Research, Decision Support, and Data Strategy in collaboration with the appropriate vice presidents and the Integrity and Compliance Office will develop an interim policy to address the recommendation items noted above. Completion: June 30, 2026*

- *Phase II: The Vice Provost for Institutional Research, Decision Support, and Data Strategy, in collaboration with the appropriate vice presidents and the Integrity and Compliance Office, will convene a policy development committee and advance a draft through VCU's Creating and Maintaining Policies and Procedures process. This work will include stakeholder consultation, development of a draft policy and Executive Summary, a 30-day public comment period, and required governance reviews, followed by submission for approval to the appropriate bodies. Completion: January 31, 2027*

Procurement Services – Travel Reimbursements

Purpose:

To Determine Whether

- There was adherence with policies, procedures, and guidelines

- Training was provided to central staff and departmental approvers, and was adequate

- There was adequate central review of reimbursement requests

Scope:

Encompassed fiscal year 2025 as a targeted review focused on travel reimbursement process

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Procurement Services – Travel Reimbursements

Conclusion:

- There were adequate policies, procedures, and guidelines

- Adequate training was provided to Central staff, but there was no formal training provided to departmental approvers

- Central review of reimbursement requests was adequate

One Board level recommendation to provide training to travel approvers and perform regular routine monitoring of approvals accuracy

Management concurs and will:

- *Develop a New Hire Overview in collaboration with HR - Completion date August 2026*

- *Develop training specifically for travel approvers - August 2026*

- *Redesign Procurement Services website to provide clearer process guidance, updated definitions and instructional videos – Completion date May 2026*

- *Implement semi-annual routine sample audits – Spring 2026 and ongoing*

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Semi-Annual Follow-up Status

All of the 23 open issues met their target date or were on track as reported at the September Audit and Compliance Committee meeting. Two of the items were reported as complete by management, however, there was not enough time for the areas to produce sufficient data for audit to perform follow-up testing. Audit will follow up at the end of Q1 2026.
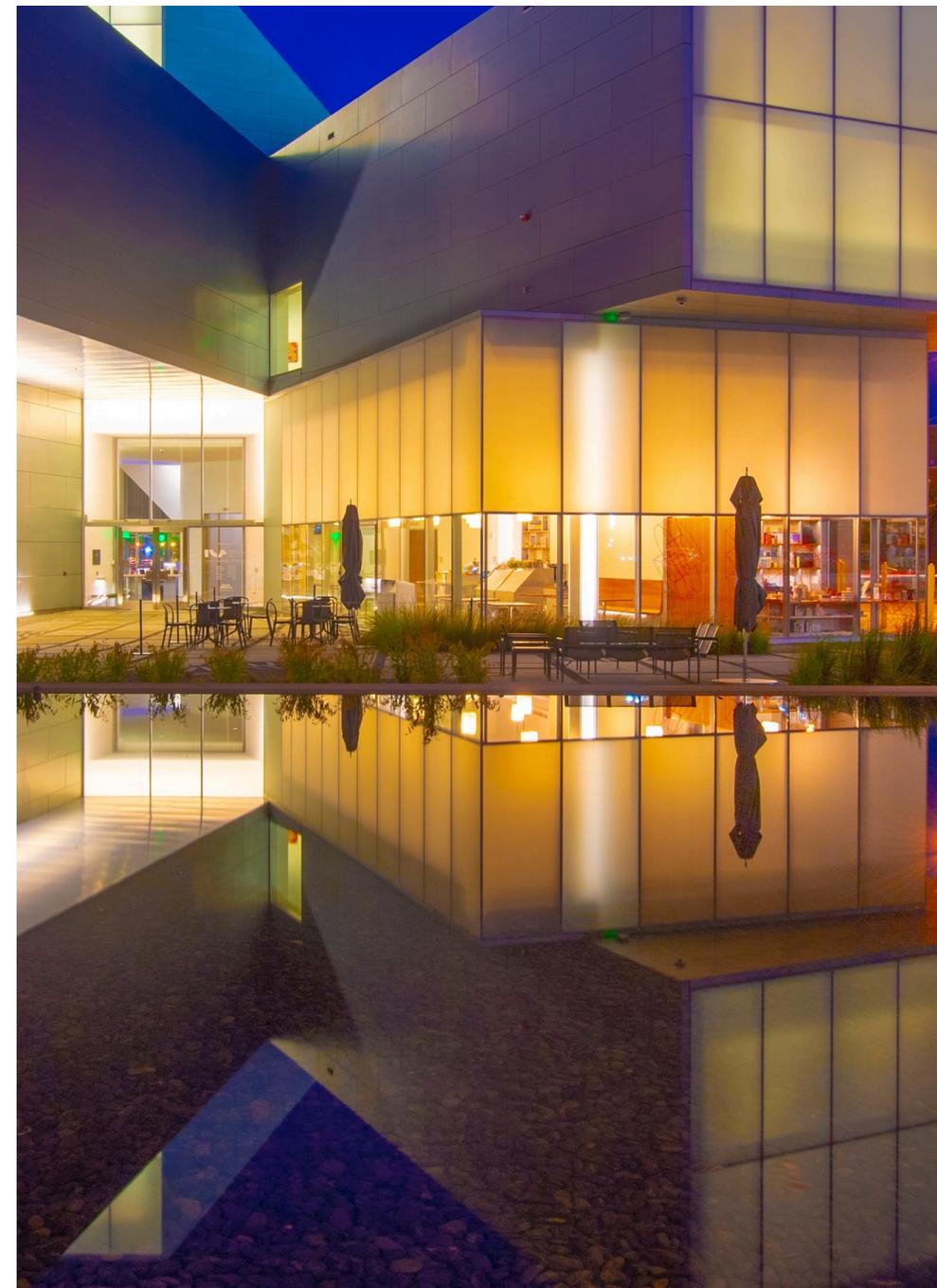
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INFORMATION TECHNOLOGY UPDATE

Board of Visitors Meeting

Audit, Integrity, and Compliance Committee

Alex Henson, Chief Information Officer

February 26, 2026

IT Security Updates

Current Areas of Effort:

- Secure and limited remote access and removal of the legacy VPN

- Vulnerability Management Program overhaul

- Reduction/rationalization of decentralized system management to reduce risk

- Security enhancements for VCU owned devices

Emerging Risk:

- Increased number of targeted attacks on higher education institutions (e.g. UPenn, Harvard, and Dartmouth)
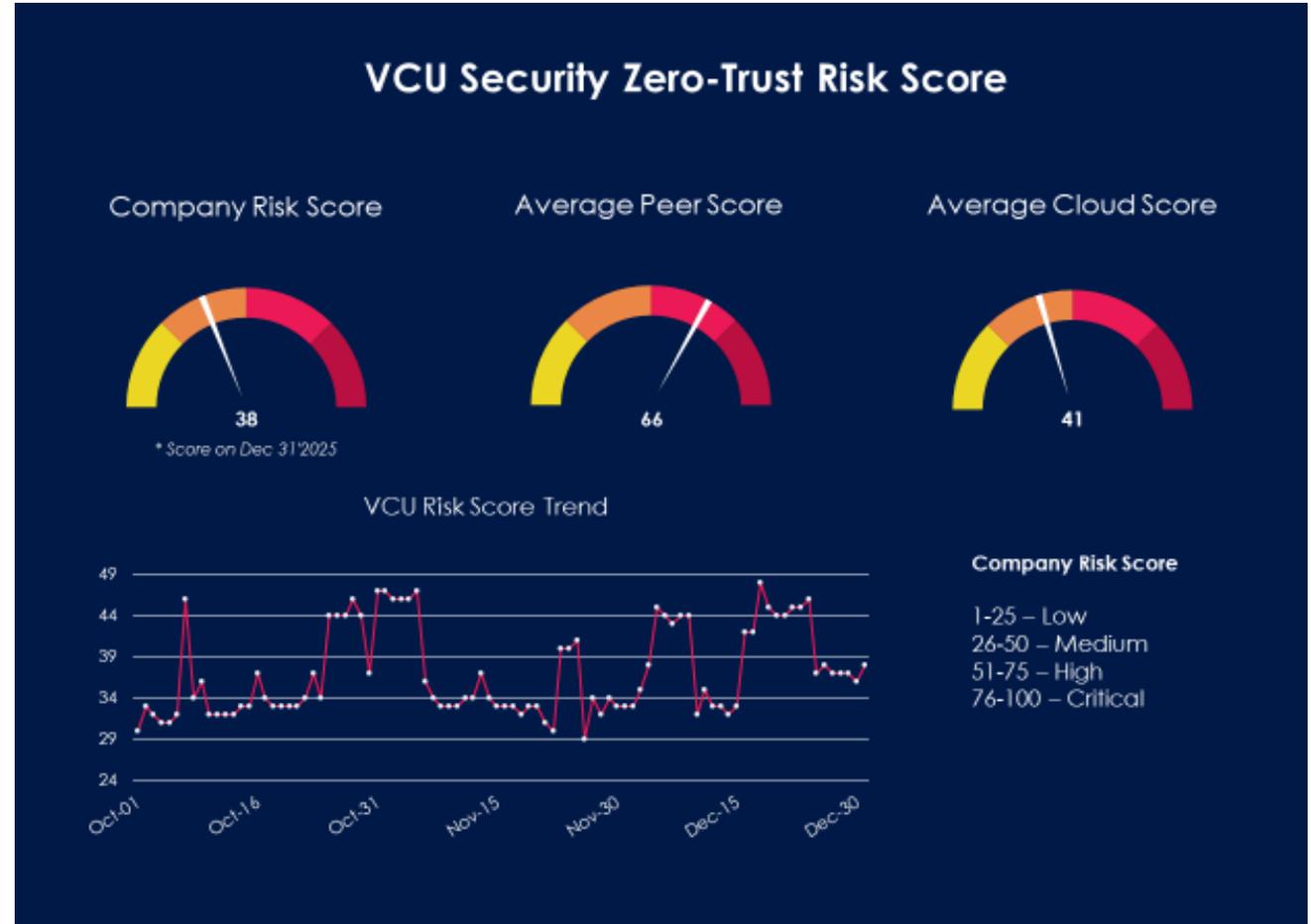
Reducing Enterprise IT Risk

Vulnerability Management

- External resource engaged to clear backlog – 80% complete with full completion by end of June

- Vulnerability Management Program redesign to be complete by end of June with vendor engaged and staff re-aligned to provide ongoing remediation and support

Application Management

- Full updated inventory of non-central applications substantially completed with ownership and risk profile information

- Management plan for ongoing application management with staffing/funding plan to be complete by end of June

Server Management

- "Housed Server" program discontinued and migration to hosted model underway with projected completion June, 2026

- Two additional positions for server management are being hired

- Data center funding/recharge model being re-worked

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AI Governance: Active and Maturing

	Governance & Oversight	**Policy & Standards**	**Risk Management & Compliance**
Active	• AI reviews embedded in IT Governance	• Institutional GenAI Policy approved • AI chatbot standards embedded	• AI risks in IT risk register
Maturing	• Formalize governance charter, roles, escalation • Establish reporting cadence	• Expand standards and procedures	• Monitoring and controls in development • Define AI risk metrics

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