1. CALL TO ORDER

Peter Farrell, Chair

2. ACTION ITEMS:
   (1 MINUTE) 12:30 - 12:31

   a. Approval of Minutes May 11, 2023

Karen Helderman, Executive Director, Audit and Compliance Services

3. REPORT FROM EXECUTIVE DIRECTOR OF AUDIT AND COMPLIANCE SERVICES
   (45 MINUTES) 12:31 - 1:46

   a. Committee Dashboard Measures
   b. Budget, Staff Qualifications, Survey Results
   c. FY23 Annual Follow-up Report
   d. Internal Audit Reports
      i. Parking Billing and Reserves
      ii. Global Education ICCR
      iii. Graduate School ICCR
      iv. Athletics – Name, Image and Likeness
      v. Academic and Executive Administrator Contracts
   e. Integrity and Compliance Services Annual Report
   f. Handout: Audit Work Plan Status FY23 and FY24

Karen Helderman, Executive Director, Audit and Compliance Services
Suzanne Milton, Chief Ethics and Compliance Officer

4. INFORMATION TECHNOLOGY UPDATE
   (15 MINUTES) 1:46 – 2:01

Alex Henson, Chief Technology Officer
5. CLOSED SESSION  
   Freedom of Information Act Section 2.2-3711 (A) (7) and (19), specifically:

   a. Audit Reports for Discussion  
      (15 MINUTES) 2:01 – 2:16  
      i. Research Computing Security  
      ii. Axium System Review

   b. University Counsel Litigation Update  
      (10 MINUTES) 2:16 – 2:26

Karen Helderman, Executive Director  
Audit and Compliance Service

Jake Belue, Associate University Counsel

6. RETURN TO OPEN SESSION AND CERTIFICATION  
   • Approval of Committee action on matters discussed in closed session, if necessary

7. ADJOURNMENT  

Peter Farrell, Chair

Peter Farrell, Chair
The enterprise cloud-based data warehouse build continues to progress, with a pilot making Admissions data available planned to be substantially complete in mid-December. Data from other phases of the student lifecycle will be rolled into the data warehouse in January and February. The migration of the Banner system into the managed cloud environment that will be completed in early December allows for the availability of more real-time data to feed reports and dashboards, and the committee will continue to provide governance around what dashboards are published. The committee continues to work toward establishing a model for increased visibility and integration into the data community and is awaiting a new leader of Institutional Research and Decision Support to continue in guiding these efforts forward.
Significant Security Incidents and Trends: While VCU has not experienced a security incident that led to any significant impact, three business partners of VCU were impacted by the global ransomware operation targeting the MOVEIt file transfer platform that occurred in the end of May, 2023. The security incident experienced by these vendors triggered breach notifications to a number of current and former employees and students. VCU is working to assist these vendors in providing affected individuals with notification and credit monitoring services when applicable.

Phishing and credential stuffing, where previously compromised passwords from other websites are reused at VCU, continue to be major threats to the institution. During the first half of 2023, VCU has worked with its Identity and Access System provider to implement additional controls to detect and prevent the use of known compromised passwords in the university environment.

In an attempt to raise awareness and validate our defenses, VCU engaged with the local Richmond FBI field office for a private briefing session to learn more about key cyber trends that may affect organizations. Specifically, the session covered modern threats related to Business Email Compromise (BEC) scams and how the university can effectively detect and defend against them. Key stakeholders from VCU police, IT, Treasury, Audit and Compliance, as well as Procurement attended the briefing.

Secured Research Environment: Collaborating with the VCU Health System, VCU is working with an external vendor to build a secured research environment that can provide researchers with virtual computers that can be used to work with high-sensitivity data. Named “Horizon,” this platform is aimed to simplify access to high-sensitivity information for researchers and ensure a consistent security posture is applied to the computing environment used for sensitive research. The availability of this platform will help to facilitate the establishment of a data pipeline that can allow secured, streamlined, and managed access to sensitive human subject information for research purposes and allow the university to meet regulatory requirements from funding agencies and sponsors.

GLBA Compliance: The VCU Information Security Office is still working with the VCU Financial Aid office to complete tasks to align applicable information security controls to the requirements of GLBA. Additionally, the U.S. Department of Education (ED) issued new security requirements applicable to Federal Tax Information (FTI) received by colleges and universities as a part of the financial aid administration process. The VCU Information Security Office is working with the Financial Aid Office to address these requirements.

SASE development: VCU completed the rollout of its SASE solution to all university-managed endpoint computers in the Summer of 2023. Aside from providing a more

### ERM PROGRAM

<table>
<thead>
<tr>
<th>Status of ERM mitigation plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program progressing on schedule</td>
</tr>
<tr>
<td>Program not on schedule; ERM Committee to address.</td>
</tr>
<tr>
<td>Program significantly behind schedule; Executive Management attention required.</td>
</tr>
</tbody>
</table>

The ERM Steering Committee has voted three (3) risks previously out of tolerance back within tolerance. This decision will be reviewed by the Cabinet in September for approval and presented to the Board in December.

### 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 well; however we are short one university auditor position and plan to hold on filling the position to accommodate FY24 budget cuts. The audit team is assessing how the vacancy will affect our workplan schedule and will defer lower risk audits until later in the year. Investigations have been increasing and this work further affects our workplan schedule, 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, verification, strategy implementation or resolution
- Significant challenges to institutional compliance strategy or resolution encountered

Notes: There are no known material compliance violations related to regulatory, legal or university policies. The Integrity and Compliance Office (ICO) is on track with a three-year workplan focused on improving effectiveness in six areas: Program Structure, Culture, Policies, Investigations/Accountability, Training/Communication, Risk Assessment/Monitoring. Good progress documenting university compliance systems and setting up regular meetings of compliance leaders to drive integration, collaboration and issue spotting in ethics and compliance.
# Audit and Compliance Services

## Staff Credentials

### University Audit and Management Services

### Integrity and Compliance Office

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Hire Date</th>
<th>Education</th>
<th>Credentials/Advanced Degrees</th>
<th>Years of Experience</th>
</tr>
</thead>
</table>
| **Karen K. Helderman**  
Executive Director | February 2019 | BS, Accounting | CPA; CISA; PMP  
MBA | 37 – Audit/Compliance |
| **David M. Litton**  
Director, Audit and Management Services, University and VCU Health | March 1994 | BS, Accounting and Information Systems | CPA; CISA; CGFM; CGEIT; CRMA | 23 – Internal Audit  
5 – External Audit  
6 – Information Technology |
| **Suzanne H. Milton**  
Chief Ethics and Compliance Officer | December 2021 | BA, History and Literature | JD; CCEP; LPEC; CAMS | 19 – Ethics and Compliance  
37 – Legal |
| **Blake Bialkowski**  
Deputy Director, IT Audit, University and VCU Health | April 2020 | BS, Business Information Technology | CISA, PMP | 14 – External Audit  
5 – Internal Audit |
| **Janet W. Lutton**  
Interim Deputy Director, University Audit and Management Services | May 2001 | BS, Business Administration | CIA, CFE | 20 – Internal Audit  
24 – Accounting |
| **Michael A. Pointer**  
IT Auditor | July 2019 | BS, Liberal Arts | CompTIA Security+ Certification; JAMF Pro 200 Certification; ITIL Foundations Certification | 6 – Technology  
4 – Internal Audit |
| **Tasha Foster**  
Staff Auditor | August 2021 | BS, Business Administration | MBA; MA | 6 – Internal Audit  
3 – Financial Services  
8 – Higher Education |
| **Courtney B. Rowe**  
Internal Auditor | April 2022 | BA, Political Science and Spanish; Post-Bacc. Certificate, Accounting | MPA; MBA | 2 – Internal Audit  
7 – Accounting/Compliance  
15 – Higher Education |
<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Hire Date</th>
<th>Education</th>
<th>Credentials/Advanced Degrees</th>
<th>Years of Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>David J. Irving</td>
<td>January 2015</td>
<td>BA, History/Political Science</td>
<td>CPA; CIA MS, Accounting</td>
<td>12 – Internal Audit 15 – External Audit</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td></td>
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</tr>
<tr>
<td>Jason A. Block</td>
<td>January 2021</td>
<td>BA, Political Science</td>
<td>MS. Ed Higher Education Management, JD, PhD, Higher Education CCEP</td>
<td>14 – Higher Education 10 – Compliance</td>
</tr>
<tr>
<td>Senior Compliance and Policy Specialist</td>
<td></td>
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</tr>
<tr>
<td>Donna Crawford</td>
<td>September 2019</td>
<td>BS, Business Administration/Concentration in Information Systems</td>
<td>CISA</td>
<td>28 – Audit/Compliance</td>
</tr>
<tr>
<td>Social Media Governance and Audit Quality</td>
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<td></td>
<td></td>
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<tr>
<td>Kimberly McQuillen</td>
<td>February 2022</td>
<td>BA, Fine and Performing Arts</td>
<td>LPEC, MFA, Theatre Pedagogy</td>
<td>3 – Higher Education 8 – Public Education 5 – IT QA/Training 7 – Business</td>
</tr>
<tr>
<td>Compliance Training and Communications Specialist</td>
<td></td>
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</tr>
<tr>
<td>Sara Jones</td>
<td>February 2022</td>
<td>BM, Music Education</td>
<td>MM, Music Education, CCEP</td>
<td>6 – Higher Education</td>
</tr>
<tr>
<td>Program Manager, Analytics and Investigations</td>
<td></td>
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</tr>
</tbody>
</table>

**Credentials:**

- CCEP  Certified Compliance and Ethics Professional
- CAMS  Certified Anti-Money Laundering Specialist
- CFE   Certified Fraud Examiner
- CGEIT Certified in the Governance of Enterprise IT
- CGFM  Certified Government Financial Manager
- CHC   Certified in Health Care Compliance
- CIA   Certified Internal Auditor
- CISA  Certified Information Systems Auditor
- CISSP Certified Information Systems Security Professional
- CPA   Certified Public Accountant
- CRISC Certified in Risk and Information Systems Control
- CRMA  Certification in Risk Management Assurance
- LPEC  Leadership Professional in Ethics and Compliance
- MBA   Masters of Business Administration
- MPA   Masters of Public Administration

**Department Memberships:**

- ACUA  Association of College and University Auditors
- ACUPA Association of College and University Policy Administrators
- AGA   Association of Government Accountants
- CUAV  College and University Auditors of Virginia
- ECI   Ethics and Compliance Initiative
- IIA   Institute of Internal Auditors
- OCEG  Open Compliance and Ethics Group
- SCCE  Society of Corporate Compliance and Ethics
Annual Review of Audit Recommendations Outstanding

Draft Report
August 25, 2023

Audit and Compliance Services
Audit and Management Services performs an annual review of audit recommendations that remain outstanding. During our review, management reports the status of previously issued recommendations. If management reports that corrective actions have been completed, we test the new procedures to determine whether those corrective actions were properly implemented and effective.

Appendix A provides a schedule of Board and management level audit recommendations that are past due, meaning they are unresolved and their target completion dates have been revised two or more times. These past due audit recommendations are discussed in more detail below.

**Past Due Board Level Recommendation**

Facilities Management IT Systems report – This report included a recommendation to “Enforce Central Works Pro Fire Alarm Server Security Baseline Compliance.” The workstation running the university’s fire alarm system had information security weaknesses that did not align with the IT Standards and Baselines. Facilities worked with the Information Security department to remediate the weaknesses and has an approved exception on file to continue running the workstation until Facilities transitions all fire alarms to a new cloud-based fire alarm monitoring system. Management expects to transition all fire alarms to the new system and decommission the workstation and old monitoring system by June 2024.

**Past Due Management Level Recommendations**

Non-Research Institutes and Centers memo – This memo included a recommendation to the Provost’s Office to facilitate the establishment of a policy that governs non-research institutes and centers (ICs). The recommendation also encouraged collaboration with the Committee on Research-Related Institutes and Centers to evaluate the development of one policy that relates to both research and non-research ICs. The Provost’s Office has reexamined the recommendations provided and is now in a position to proceed with strategy and implementation, in coordination with the Office of Integrity and Compliance, of a new policy specific to non-research institutes and centers. A committee of key stakeholders will be convened and a draft policy will be created and vetted per university guidelines. The Provost’s Office expects to complete these corrective actions by May 31, 2024.

Facilities Management IT Systems report – This report included a recommendation to “Develop Operations Center Disaster Recovery Plan.” Facilities had no backup location to continue operations in the event of an outage to their current Operations Center at 700 West Grace. Additionally, certain buildings do not have a backup power source, such as a generator, in the event of a power outage reducing Facilities’ ability to view and monitor the building’s smart devices. Since the report issuance, Facilities made technology upgrades so their Operations Center staff can access and view all monitoring points and alarms if an outage or evacuation occurs at their current Operations Center. Facilities is also working with Technology Services to install emergency backup power for critical network equipment that supports smart devices. Facilities is moving their Operations Center to the Henry Parking Deck but the move is contingent on completing the fire alarm migration, which management expects to complete by June 2024.

Our review of audit recommendations outstanding occurs throughout the year but includes all recommendations with a due date on May 31, 2023 and prior.
We reviewed the information in this report with the applicable department manager and vice president prior to releasing the final report.

Our review 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.

Karen K. Heldenman  
Executive Director  
Audit and Compliance Services
## Audit and Management Services
### VCU Past Due Audit Recommendations

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Audit</th>
<th>Board Level Recommendation</th>
<th>Target Date</th>
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<tr>
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<td>Dec 2020</td>
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<td>June 2024</td>
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<table>
<thead>
<tr>
<th>Report Date</th>
<th>Audit</th>
<th>Management Level Recommendations</th>
<th>Target Date</th>
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<tbody>
<tr>
<td>July 2019</td>
<td>Non-Research Institute and Centers</td>
<td>Facilitate Establishment of a Policy to Govern Non-Research ICs</td>
<td></td>
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<tr>
<td></td>
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<td>Dec 2019</td>
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<td>May 2023</td>
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<td>May 2024</td>
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<tr>
<td>Jan 2020</td>
<td>Facilities Management IT Systems</td>
<td>Develop Operations Center Disaster Recovery Plan</td>
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<td>Mar 2021</td>
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<td>Jan 2023</td>
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<td>June 2024</td>
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Parking Billing and Reserves

Final Report

May 15, 2023

Audit and Compliance Services
Overview

Operations

Parking and Transportation (Parking) is an auxiliary enterprise which requires financial self-support and compliance with the State Council of Higher Education for Virginia (SCHEV) regulations regarding reserve accumulations. Parking derives revenues from charges to several groups including VCU employees, students who purchase semester parking permits, special event parking, visitor parking and parking violation fines and late payment penalties. Parking operates 13 parking decks and 52 uncovered parking lots. Based on prior years’ experience, Parking determines parking rates annually to finance labor, overhead, maintenance, reserves, and planned renovations or renewals. Parking manages its financial functions in conjunction with the Controller’s office, which employs staff designated to develop budgets, analyze financial data and monitor performance monthly. The Controller’s office works with Parking to maintain reserves in accordance with SCHEV guidelines to finance operations, the maintenance schedule, and renewal and replacement.

Parking has maintained a financial surplus in each of the past three consecutive fiscal years, and improved reserves for the period as well. The fiscal year 2023 budget projects revenues of $21.5M, expenditures of $18.1M, adding $3.4M to prior year reserves, resulting in total reserve accumulations of $8.5M. Parking does not have board approved projects, so does not accumulate reserves for renovation and construction. VCU’s fiscal year 2023 projected reserve accumulation of $8.5 million falls within the SCHEV recommended reserves of $7.6 million - $10.4 million for an auxiliary without renovation or construction projects.

Employee and student permits comprise the majority (81%) of parking types. The chart below depicts the trend of average employee and student permits issued per fiscal year overlaid with total revenues from those permits:

![Employee and Student Permits FY 20 - 23 With Total Revenue](image)

* Source: Revenue – VCU Controller’s Office; Permits – T2 Flex Parking Database
Software Application

Parking uses a software application from T-2 Systems to capture permit information, including new customers, changes to customer information, cancellations and payroll deducted payment information. The application, called Flex, provides reporting capabilities to allow key process owners to monitor activity and reconcile with Banner on a regular basis. It also reflects data around parking violations and associated payments.

Parking Citations and Unpaid Fines

Parking personnel issue citations for various violations such as parking in a prohibited space, exceeding time limits, failure to display a permit or unauthorized usage of permits. Depending on the type of violation, fines range from $20 to $300. Citations are not a major driver of revenue, but serve as a deterrent to dissuade continued parking offenses. Parking assesses late fees for fines unpaid within fifteen days of original issuance, in an amount double the original or base amount. During fiscal years 2020 – 2022 and 2023 (as of February 27, 2023), Parking Enforcement issued 21,658 citations in the amount of $720,797. Shown below is the trend of citations for the period noted (base amount only - no penalty for late fees):

![FINES FISCAL YEARS 20 - 23 YTD](image)

For the same period, unpaid fines and penalties totaled $458,268, averaging $91,654 annually. Student unpaid fines and penalties represent six percent of the total, while faculty and staff make up sixteen percent of the total. The remaining fines and penalties, 78% of the total, originate from expired permits, those outside VCU, or origins not identified in the Flex system.

According to the Virginia Debt Collection Act (the Act), unpaid fines and penalties, such as late fees, are debts to be included in accounts receivable. The Act includes procedures for charging late payment fees not to exceed ten percent of the base fine, collection of accounts receivable and write-off of debts deemed uncollectible. It stipulates that institutions shall establish internal policies and procedures for collection of those receivables as well as reporting requirements. According to the Act, all state agencies and institutions shall take cost-effective actions to collect its debts. The Commonwealth Accounting Policies and Procedures (CAPP) Manual, established
by the State Comptroller, requires agencies and institutions to submit all receivables aged 30 - 60
days to the Virginia Department of Taxation’s Set-Off Debt Program and only write them off after
appropriate approval by a relevant agency such as the Office of the Attorney General’s Debt
Collection Division. Accounts written off remain in a state of indebtedness with a legal obligation
to pay. The CAPP Manual also requires uncollectible receivable account information be retained
until debts are collected or written-off.

Purpose

The objective of the audit was to determine whether Parking collects sufficient revenues to sustain
operations as an auxiliary enterprise and maintains required reserves.

Scope and Audit Procedures

Our scope of Parking Billing and Reserves encompassed July 1, 2022 – February 27, 2023 (based
on data fulfillment). The audit focused on the calculation of parking rates, determination and
monitoring of reserves, deactivation of parking privileges upon separation from the university and
collections of fines for parking violations.

Audit procedures included:
- Reviewing SCHEV’s policies and procedures for Maintaining Auxiliary Enterprise
  Reserves, the Virginia Debt Collection Act, CAPP manual, the University’s Tier Three
  Management Agreement and VCU Parking and Transportation’s written guidelines
- Interviewing key process owners in Parking, Treasury and the Controller’s Office
- Evaluating procedures for calculating and verifying parking rates and reserves
- Examining reserve monitoring practices
- Observing and evaluating parking permit deactivation procedures
- Examining processes for collecting fines and late payment fees for parking violations
- Analyzing data around the payment of parking violations

Summary of Major Business Issues and Management’s Action Plans

Develop a Parking, Citations, and Enforcement Policy

Parking did not have a policy or adequate procedures in place for collection and disposition of
citation fines and penalties that comply with the Virginia Debt Collection Act, Section 2.2-4800, or
the CAPP manual. Specifically, Parking management:
- Made unpaid fines and penalties inactive in the Flex application when they became
  older than three years
- Overcharged late payment penalties by charging 100% of the base fine, exceeding
  the Act’s allowable 10% (rates exceeding 10% may be permissible if the university had
  a policy reviewed by the Office of the Attorney General Debt Collection Division)
- Did not refer past due fines and penalties to the state’s contracted collection vendor
  or the Virginia Department of Taxation’s Set-Off Debt Program
- Did not explore the possibility of internal collection efforts such as payroll deduction
- Did not record unpaid fines and fees as a university receivable

For fiscal years 2020-2023 (as of 2/27/23), 33% of assessed fines (not including penalties) were unpaid totaling $236K in uncollected revenue. For this period, Parking’s system automatically deemed $52K of unpaid citations (those more than 3 years past due) as uncollectible and inactivated them.

Parking personnel were unaware of the Virginia Debt Collection Act, and that Parking did not have the authority to inactivate and stop collection efforts on past due fines and penalties more than three years old. In addition, Parking was also unaware that they should turn over past due accounts receivables to the state contracted debt collection vendor or use the Commonwealth’s free set-off debt program. The program recovers debts from individual state income tax refunds on behalf of state entities and may improve the collection of fines and penalties from citation holders outside of VCU.

In addition, Parking, under a previous director, established an automated task during the implementation of the Flex application to inactivate citations after three years. Once the data is inactive, Parking takes no additional collection action but the citation information is available for recall.

Parking should collaborate with Treasury Services and the Controller’s Office to report unpaid parking fines and penalties as accounts receivable in VCU’s financial statement and develop a policy and related procedures to comply with the Act and the CAPP Manual. Parking should incorporate their current guidelines within that policy and explore additional best practices used by other Virginia institutions, such as towing and booting vehicles. A comprehensive policy will strengthen collection efforts and ensure VCU’s program is in compliance with the Act and CAPP manual requirements. In addition, Parking should reinstate the previous inactivated citations, reduce penalties so they are consistent with the Act, and take steps according to the Act to collect the past due accounts.

**Management’s Action Plan: Concur**

*We have disabled the auto-task that marks citations as uncollectible and reversed those citations to make them active again.*

*We will work with the Legal Counsel, the VCU Controller and the VCU Treasurer to develop a collections and debt disposition policy that will bring us into compliance with the Virginia Debt Collections Act, while keeping the administrative costs of administering the policy reasonable.*

*Responsibility: Executive Director of Parking & Transportation Services*

*Completion date: April 2024*
Conclusion

In our opinion, based on the results of our audit, Parking collected sufficient revenues to sustain operations as an auxiliary enterprise and maintain required reserves. However, they did not have a policy and related procedures for collecting unpaid parking fines and penalties compliant with the Virginia Debt Collection Act.

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:

Josh Stone  Executive Director, Parking and Transportation
Richard Sliwoski  Associate Vice President, Facilities Management
Patricia Perkins  Associate Vice President for Finance
Meredith Weiss  Vice President for Administration
Karol Kain Gray  Senior Vice President and Chief Financial Officer

We conducted our audit 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.

Karen K. Helderman  
Executive Director  
Audit and Compliance Services
To: Michael Rao  
   President

From: Karen Helderman  
   Executive Director, Audit and Compliance Services

Date: May 25, 2023

Subject: Internal Controls Compliance Review of the Global Education Office

Internal Audit has completed an Internal Controls Compliance Review of selected internal controls related to the Global Education Office and have included the results in the attached Dashboard Report.

cc. Jill Blondin, Associate Vice Provost for Global Initiatives
# Internal Controls Compliance Assessment Dashboard

<table>
<thead>
<tr>
<th>Audit name:</th>
<th>Global Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for audit:</td>
<td>Provide management with assurance that selected financial and administrative processes were performed and monitored properly.</td>
</tr>
</tbody>
</table>

## Conclusion by Process

<table>
<thead>
<tr>
<th>Process</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial Monitoring</td>
<td>☐ ☐</td>
</tr>
<tr>
<td>1.1. Forecast Monitoring of approved budgets was performed</td>
<td>☐</td>
</tr>
<tr>
<td>1.2. Budgets were reviewed and negative variances were addressed</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Process</th>
<th>Risk Rating</th>
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<tbody>
<tr>
<td>2. Banner Reconciliations</td>
<td>☐ ☐ ☐</td>
</tr>
<tr>
<td>2.1. Banner reconciliations were performed monthly or as required by the fiscal Administrator’s Handbook</td>
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</tr>
<tr>
<td>2.2. Reconciliations were signed and dated by both the reviewer and approver</td>
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<tr>
<td>2.3. Supporting documentation for transactions were readily available</td>
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</table>

<table>
<thead>
<tr>
<th>Process</th>
<th>Risk Rating</th>
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<tbody>
<tr>
<td>3. Journal Vouchers</td>
<td>☐ ☐</td>
</tr>
<tr>
<td>3.1. JVs were approved by the appropriate position depending on dollar amount</td>
<td>☐</td>
</tr>
<tr>
<td>3.2. Documentation to support JVs was maintained</td>
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<table>
<thead>
<tr>
<th>Process</th>
<th>Risk Rating</th>
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<tr>
<td>4. Petty Cash</td>
<td>N/A N/A N/A</td>
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<tr>
<td>4.1. Petty cash funds were secured according to the university Petty Cash policy</td>
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</tr>
<tr>
<td>4.2. Custodian was the only authorized person with access to funds</td>
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</tr>
<tr>
<td>4.3. Monthly and annual reconciliations were performed timely</td>
<td>N/A</td>
</tr>
<tr>
<td>4.4. Annual Trainings were completed by the custodian, dean/department head or designee</td>
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Our assessment 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.

**Note:** Risk Classifications/Definitions and Issue Table, if applicable, are included on following page.
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<td><strong>Verbal Finding</strong></td>
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<td>- Minor Findings of non-compliance.</td>
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<td><strong>Management Level Finding</strong></td>
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Graduate School
Internal Controls Compliance Review

Final Report
July 25, 2023

Audit and Compliance Services
To: Michael Rao  
President

From: Karen Helderman  
Executive Director, Audit and Compliance Services

Date: July 25, 2023

Subject: Internal Controls Compliance Review of the Graduate School

Internal Audit has completed an Internal Controls Compliance Review of selected internal controls related to the Graduate School and have included the results in the attached Dashboard Report.

cc. Manu Gupta, Interim dean  
Melissa W. Tyler, Assistant dean of operations
# Internal Controls Compliance Assessment Dashboard

## Audit name:
The Graduate School

## Reason for audit:
Provide management with assurance that selected financial and administrative processes were performed and monitored properly.

<table>
<thead>
<tr>
<th>Conclusion by Process</th>
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<tr>
<td>1. Financial Monitoring</td>
<td>☐ ☐</td>
</tr>
<tr>
<td>1.1. Forecast Monitoring of approved budgets was performed</td>
<td>☐</td>
</tr>
<tr>
<td>1.2. Budgets were reviewed and negative variances were addressed</td>
<td>☐</td>
</tr>
<tr>
<td>2. Banner Reconciliations</td>
<td>☐ ☐ ☐</td>
</tr>
<tr>
<td>2.1. Banner reconciliations were performed monthly or as required by the fiscal Administrator’s Handbook</td>
<td>☐</td>
</tr>
<tr>
<td>2.2. Reconciliations were signed and dated by both the reviewer and approver</td>
<td>☐</td>
</tr>
<tr>
<td>2.3. Supporting documentation for transactions were readily available</td>
<td>☐</td>
</tr>
<tr>
<td>3. Journal Vouchers</td>
<td>☐ ☐</td>
</tr>
<tr>
<td>3.1. JVs were approved by the appropriate position depending on dollar amount</td>
<td>☐</td>
</tr>
<tr>
<td>3.2. Documentation to support JVs was maintained</td>
<td>☐</td>
</tr>
<tr>
<td>4. Petty Cash</td>
<td>N/A N/A N/A</td>
</tr>
<tr>
<td>4.1. Petty cash funds were secured according to the university Petty Cash policy</td>
<td>N/A</td>
</tr>
<tr>
<td>4.2. Custodian was the only authorized person with access to funds</td>
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<td>4.3. Monthly and annual reconciliations were performed timely</td>
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                                 • Control environment contains insufficient internal controls to address key risks and the impact may be substantial in size or nature or their effect cannot be quantified. 
                                 • Immediate corrective action should be implemented.                                                     
                                 • VP level involvement needed.                                                                             
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Athletics
Name, Image and Likeness

Final Report
July 7, 2023

Audit and Compliance Services
Overview

As of July 1, 2021, the NCAA Division 1 Board of Directors instituted an interim name, image and likeness (NIL) policy. This policy allows all NCAA Division 1, 2, and 3 student-athletes to be compensated for the use of their name, image and likeness (NIL), by outside entities such as businesses, for product or service endorsements. Several states followed suit and passed their own NIL laws, including Virginia which passed its NIL law on August 10, 2021. The NCAA Division 1 Board of Directors released additional guidance related to NIL to include new allegation and conclusion standards when potential violations occur. An October 2022 update states that when information available to enforcement staff indicates impermissible conduct occurred, the enforcement staff and Committee on Infractions which investigates allegations of NCAA rules violations, will presume a violation occurred unless the school clearly demonstrates that the behaviors in question were in line with existing NCAA rules and the interim policy. Guidance provided by the NCAA pertaining to NIL is subject to state laws or executive actions with the force of law in effect.

The NCAA requires member institutions to self-monitor their staff and student-athletes’ compliance with NCAA rules as part of its shared governance structure. The Committee on Infractions can cite and sanction member institutions for failing to monitor its compliance with the interim NIL policy.

VCU’s Athletics Compliance Office (Athletics) monitors student-athlete compliance with NIL regulations via INFLCR, software that student-athletes use to disclose NIL activity, and reviewing social media sites for any student-athlete NIL activity. They also provide NIL training to coaches, staff, student-athletes, and boosters/collectives using live training, handbooks, policies and procedures manual, town hall meetings, newsletters, emails, and information published on their websites.

Purpose

The objective of the audit was to determine whether Athletics had effective compliance processes in place that would ensure due diligence in compliance with name, image and likeness regulations.

Scope and Audit Procedures

Our scope of Athletics - Name, Image and Likeness encompassed academic year 2022-2023 and focused on an evaluation of Athletics’ compliance program specific to NIL activities, based on the seven elements of the Federal Sentencing Guidelines:

- Oversight
- Policies
- Training
- Communication
- Monitoring
- Enforcement
Corrective Action

Our audit procedures included:
- Discussions with the Athletics compliance officer regarding Athletics’ compliance program specific to NIL
- Evaluation of how Athletics demonstrates their implementation of the elements of an effective compliance program
- Review of Athletics’ organization chart
- Review and evaluation of Athletic NIL policies and procedures and student-athlete handbook
- Review and evaluation of training materials attendance rosters
- Review of a sample of communications to staff regarding updates to NIL regulations, available trainings and meetings
- Review of NCAA regulations and Virginia state law pertaining to NIL
- Inquiry and evaluation of Athletics NIL monitoring activities
- Inquiry regarding potential violations of NIL and associated corrective action plans

Conclusion

In our opinion, based on the results of our audit, Athletics had effective compliance processes in place that would ensure due diligence in compliance with name, image and likeness regulations.

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

Noah Strebler Sr. Associate Athletic Director for Student-Athlete Services and NIL
Makonnen Afework Deputy Director of Athletics
Edward McLaughlin Vice President and Director of Athletics

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.

Karen K. Helderman
Executive Director
Audit and Compliance Services
Academic and Executive Administrator Contracts

Final Report
August 10, 2023

Audit and Compliance Services
Overview

Academic administrators are faculty who also serve as senior academic officers of the university. They include such positions as provost, vice provosts, deans or associate deans, and may also include some department chairs. Academic administrator positions are for a specific term with responsibilities independent of faculty duties. Executive administrators on the other hand are senior officers of the university, the vice presidents or members of the president’s cabinet and their direct reports.

Academic and executive administrators maintain a contractual employment relationship with the university through a Notice of Appointment which serves as their employment contract. Contracts stipulate compensation, rank, tenure status, conditions of appointment and contract renewal procedures. All academic administrator and executive appointments are made by authority of the President or the President’s designee. Units develop contracts using standard templates for various categories, such as new hires or renewals for academic or executive administrators.

As of October, 2022, the Office of the Provost reported 84 active academic administrator contracts and Human Resources reported 189 active executive administrator contracts. Terms and Conditions for academic and executive administrators, respectively, govern these contracts and stipulate that appointments are for a specified period, usually one year, subject to renewal terms.

Deans, unit heads and senior vice presidents are to utilize competitive market data in determining administrative supplements for faculty who assume temporary additional administrative duties. The Faculty Salary Administration Guidelines specify that administrative supplements for academic administrators end when corresponding responsibilities end and state a predetermined “return salary” when academic administrators return to previously held positions.

The Office of the Provost established a work group in March 2023 that includes a member from Health Sciences and Human Resources to standardize the contracting process and reduce identified risks including that academic administrator compensation was not managed consistently across academic units. The work group is updating Terms and Conditions that previously did not explicitly provide that administrative compensation is removed when duties are removed. The goal of the work group is to develop a standardized policy statement so that units observe consistency in contracting.

Purpose

The objective of the audit was to determine whether academic and executive administrator contracts reflect compensation appropriately approved and adjusted for changes in roles and responsibilities.

Scope and Audit Procedures

Our scope of Academic and Executive Administrator Contracts encompassed fiscal years 2022 and 2023, as a targeted review focused on current practices. The review concentrated on
contracts of academic and executive administrator positions. Audit procedures included:

- Interviewing key process owners in the Office of the Provost, Human Resources, and VP for Health Sciences to understand academic and executive administrators contracting processes
- Reviewing VCU guidance on academic and executive administrator compensation to develop an understanding of the treatment of salaries
- Evaluating samples of academic and executive administrator contracts for compliance with VCU guidance and consistency of contract language
- Examining Terms and Conditions of Employment for academic and executive administrators for compensation and other requirements

Conclusion

In our opinion, based on the results of our audit, current academic and executive administrator contracts reflect compensation appropriately approved and adjusted for changes in roles and responsibilities.

A detailed recommendation to develop a standardized policy statement and procedures for academic administrator contracts 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:

Jessica Hill Executive Director, Faculty Human Resources
Angie Johnson Executive Director, Human Resources, Health Sciences
Kathleen Blankenship Director, Human Resources Service Delivery
William Nelson Senior Vice Provost for Academic Administration and Operations
Jay Bonfili Senior Associate Vice President for Health Sciences
Fotis Sotiropoulos Provost and Senior Vice President for Academic Affairs
Marlon F. Levy Interim Senior Vice President, VCU Health Sciences, Chief Executive Officer, VCU Health Systems

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.

Karen K. Helderman
Executive Director
Audit and Compliance Services
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Introduction

Welcome to the fiscal year (FY) 2023 Annual Report of VCU’s Integrity and Compliance Office (ICO), a unit of Audit and Compliance Services. The purpose of this report is to summarize for the Board of Visitors and our stakeholders our FY 2023 activity and impact as well as relevant trends and focus for FY 2024. The objective of our program is to foster an organizational culture that encourages ethical conduct and a commitment to compliance with the law. We accomplish this, together with our compliance partners across the university, by engaging leaders and employees to support a speak-up culture through communications and training, by building effective policies, by assessing and mitigating risks, and by executing best-in-class reporting and investigative processes. We seek to create an environment characterized by robust employee reporting, no fear of retaliation, reduced misconduct, and a commitment to integrity in every transaction.

Program Structure and Resources

The ethics and compliance program at VCU continues to implement best practices to refresh and sharpen program effectiveness in line with its three-year workplan. In FY 2023, we created a smaller Compliance Steering Committee (CSC) to enhance communication and collaboration among the largest compliance partners at VCU. Meeting quarterly, the CSC led the way to the submission of one-page compliance program summaries in twenty key compliance areas to facilitate improvement and identification of compliance gaps or opportunities. From these summaries, the ICO identified three areas of focus for improvement: training/communication, monitoring and auditing, and risk assessment and is leading efforts to deliver improvements in support of compliance partners. The larger Compliance Advisory Committee continues to meet twice a year to facilitate sharing of CSC actions/learnings, enforcement trends and briefings by VCU Government Relations. In FY 2024, we plan to assemble into one reference document an integrated summary of VCU’s ethics and compliance program and system including improvements and areas of future focus.

Highlights: Compliance Partners

The ICO functions in partnership with compliance leaders and teams across the university. Here are a few examples of best practices, accomplishments, and ongoing efforts by VCU compliance partners to close program gaps in compliance at VCU.

- **Technology Services** managed a very significant migration of VCU’s Enterprise Resource Planning (ERP) system to the Cloud for the university with few glitches. They continue to lead VCU in achieving
compliance with the Gramm-Leach-Bliley Act (GLBA) to ensure the privacy and security of sensitive financial aid data. VCU is nearly complete in fulfilling its obligations under GLBA after a multi-year effort. Additional efforts were put forth in meeting new U.S. Department of Education requirements on federal tax information protection. In collaboration with other units, Technology Services is working on the establishment of a secured research computing environment for researchers who are working with sensitive information. Technology Services also continues to provide guidance for students and employees to avoid the latest phishing schemes through various media and communication tools.

- **Equity and Access Services**, which now reports to the Office of the President, issued their first Annual Report detailing compliance priorities and outcomes in each of their four areas of focus: Title IX, ADA & Access Services, Equal Opportunity and Affirmative Action, and Protection of Minors. Because continuous improvement is a shared goal within EAS, surveys are now administered to partners or stakeholders in order to monitor and improve quality, human-centered outreach and support services. EAS also hired their first ever Chief Accessibility Officer who will lead accessibility initiatives for VCU's physical and digital spaces. These advancements will widen the depth and breadth of support that EAS is able to provide the VCU community in key areas of compliance, support services, data collection, recommendations for best practices, advocacy and more.

- **Human Resources** continued its progress in updating policies and worked together with the ICO to ensure performance management tools appropriately referenced integrity and compliance as considerations in relevant competencies in the annual review process. HR is also leading a group focused on clearly delineating mandatory compliance training and ensuring timely completion of that training each semester by relevant employees.

- In **Athletics**, a Compliance Coordinator position was created (and is currently in the process of being filled) to help assist with the unit's compliance efforts. This will allow the other members of the unit to more heavily focus on major trend areas like Name, Image and Likeness (NIL) and other governance issues that have become federally prominent. The Athletics Compliance Office has made great strides over the past year to keep up with the ever-changing NIL landscape. NIL oversight is going well with the implementation of systems and tools to support VCU athletes in the NIL space and ensure compliance and awareness for all parties.

- The **Office of the Vice-President for Research and Innovation** made significant progress this year across several areas:
  
  **Research Administration**
  Strengthened the role of senior leadership in alignment with expertise in federal sponsor areas of emerging interest/emphasis in research compliance. This new role serves in partnership with the AVP for Research Administration with a centralized research compliance tracking process and a research compliance governance structure.

  **Regulatory Affairs**
  New senior leadership with subject-matter expertise appointed to oversee the clinical research regulatory affairs program, the human research protection program and the animal care and use program. This new role serves in partnership with the AVP for Research Administration with a centralized research compliance tracking process and a research compliance governance structure.

- **Clinical Research Regulatory Affairs**:
  - New dedicated subject matter expert hired to lead the clinical research regulatory affairs program, including areas of shared regulatory risk identification and delegation or management.
  - Evaluated all clinical trials for compliance with FDAAA 801 and 42 Code of Federal Regulations (CFR) 11, commonly referred to as ClinicalTrials.gov registration and results reporting. Identified compliance improvement areas with planned completion in September 2023 and ongoing compliance monitoring by December 2023.
• Evaluated all clinical trials for compliance with Department of Health and Human Services (DHHS) 45 CFR 46.116(h). An internal process was deployed and is now integrated with the clinical research regulatory affairs workflows, automating compliance. Compliance with DHHS 45 CFR 46.116(h) is now at 100% and supported by a quality management protocol.

• Completed full implementation of the Veeva SiteVault and eTMF systems (cloud-based life sciences software for research and clinical trials), in FY 2023 supporting US Food and Drug Administration 21 CFR Part 11 compliance, moving VCU from a paper-based standard to 100% compliance for electronic access to applicable regulatory records and significantly reducing administrative and regulatory burden.

• Animal Care and Use Program, including Animal Research Facility and Husbandry:
  o No significant findings resulting from the United States Department of Agriculture, Animal, Plant and Health Inspection Service (USDA APHIS).
  o No significant findings resulting from accrediting body site visit inspection.
  o Renewed accreditation of the VCU Animal Care and Use Program, resulting in continuous accreditation for over 50 years.

• Human Research Protection Program (HRPP):
  o New standard operating procedures, checklists, resources, and management practices adopted by the HRPP, aligning the program with national standards of practice.
  o New, streamlined submission system reducing administrative burden on research teams and the HRPP with the initial submission process reduced from approximately 8 hours to 1 hour.
  o New post-approval monitoring program initiated which will be supported by Veeva, enabling remote monitoring of clinical trials by December 2023.
  o New organizational model designed to ensure improved standards of quality management, including an ongoing program for evaluating the quality, efficiency, and compliance of processes and procedures dedicated to the HRPP.

• IT Systems and Data Management and Security
  o Initiated a 5-year plan to upgrade the VCU Research Administration Management Systems supporting VCU’s research compliance infrastructure.
  o Re-evaluated the approach to post-approval monitoring for data management and security plans to ensure adequate surveillance of related risk.
  o Calibrated VCU’s research information systems approach, resulting in a new enterprise-wide strategy.

• Safety and Risk Management reported the following achievements:
  Fire Safety
  • Fire Safety Emergency Action Plans now include tornado procedures and are shared amongst our peers in Emergency Management via RedCap and VEOCI dashboards.
  • Onboarding the new children’s inpatient tower and VCU STEM building at 817 Franklin Street with Safety and Risk Management’s support to many aspects like acceptance testing, fire safety plan development, hazard identification, etc.

Employee Health
• Worked with IT to import all employees into our electronic medical record to allow for Health Insurance Portability and Accountability Act compliant, proactive, push communication, transitioning decades of paper charts into electronic medical records. Worked with VCU Health to improve cost tracking and reimbursement.
Environmental Health and Safety

- The VCU Safety team swept the Campus Safety, Health, and Environmental Management Association 2023 innovation awards:
  - Resource Enhancement for our collaboration with the Health System on our “Pharmaceutical Hazardous Waste Program.”
  - Safety Culture for a Large School for our “Lab Safety Video Series,” which is a collaboration with the VCU Center for Health Disparities.
  - Process Improvement for a Large School for our RedCap respiratory medical evaluation program, which Theresa Conti, RN and Elise Nicewick, RN developed to support VCU and the Health System.

- Radiation Safety inspection covering activities authorized under VCU radioactive materials license 760-215-1 was conducted by the Virginia Department of Health’s office of radiological protection (ORH) (May 20, 24, 26 and June 2 and 3, 2022). ORH determined one non-cited violation of regulatory requirement and identified three recommendations. Corrective action was implemented, including removal of the irradiator, and therefore no response was required.

Culture and Data Analysis

The ICO continues to monitor university wide reported concerns and responses to misconduct through Convercent, an online data management system. Convercent also contains the VCU Helpline, a third-party reporting tool with an anonymous reporting option. In addition to reports that come directly to Audit and Compliance Services (ACS), the ICO tracks investigations and reports from compliance partners in offices across VCU, including Employee Relations, Equity and Access Services (EAS), the Office of the VP for Health Sciences, and the Office of the Provost. This collaboration allows our office to monitor and respond to misconduct trends across the university.

Reporting of misconduct returned to pre-pandemic levels in FY 2023, with 262 total reports. 63% of those reports came to partnering offices, and 37% came directly to ACS as an independent reporting option. This represents an increase in reports made directly to ACS in previous years, as well as an increase in reports made directly to the Helpline. In FY 2023, the ICO team made significant efforts to improve visibility and
communication to the entire university via events, workshops, trainings, the blog, and email blasts. These efforts, along with consistent collaboration and partnership with other regulatory offices across VCU, may account for the increase in reporting directly to our office. According to NAVEX Global, one of the largest providers of hotline and case management systems, “Research shows organizations with high adoption of their internal hotlines see fewer external whistleblower reports to regulatory agencies and other authorities.” The ICO continues to reduce risk for VCU by establishing the Helpline and our office as a trusted independent reporting option and ethical advisor\(^1\). When issues are reported and substantiated by effective investigations, appropriate consequences and remediation can follow to prevent future issues.

The overall full and partial substantiation rate for the total case volume was 30%, with 48% of closed cases resolving as “Substantiation Undetermined,” or “Other.” The vast majority of the cases in the “Other” category (91%) were not investigated due to lack of response from the reporter or procedural blockers in offices with reporter-driven processes, such as Equity and Access Services. The most commonly reported issue types were Discrimination Based on Protected Class, Ethics Violation, and Employee Relations. However, the top five substantiated issue types were Ethics Violation, Employee Relations, Health or Safety/Security Concerns, Regulatory Research, and Waste, Misuse, or Theft of Resources.

### Data Benchmarking

VCU’s case volume per 100 employees exceeded both the internal and external benchmark in FY 2023. Our anonymous reporting rate (the rate of those reporting without giving their name) continues to remain below the NAVEX benchmark and remained below the 3-year internal benchmark for the second year in a row. This confirms that our employees tend to trust our system as almost 80% of those reporting identify themselves.

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\(^1\) NAVEX Global, Inc., 2023 Hotline Incident Management Benchmark Report
VCU’s substantiation rate is significantly below both the external and internal benchmarks, reflecting a large portion of reports that were unable to be substantiated. The most common reason for a lack of substantiation was either a report not containing any allegations of policy violation, or a reporter not following up with the investigating office to participate in an investigation or to provide enough information to investigate. When controlled for these reports that could not be investigated, the percentage of cases that were fully or partially substantiated rises to 58%, exceeding the NAVEX benchmark. VCU’s rate of retaliation reporting fell this year to 7%, down from 11% last year but is still significantly higher than the external benchmark. Only one retaliation report was substantiated in FY 2023. The ICO is engaged in multiple proactive strategies to encourage a speak-up culture and educate employees about retaliation. For example, the ICO facilitated a Psychological Safety workshop to leaders from several units, with more planned in FY 2024. We will continue to educate VCU employees, especially leaders, on preventing retaliation in the workplace.

### Upcoming: New Integrity Survey

Research has demonstrated clearly that strong ethical cultures produce positive ethical outcomes including robust employee reporting, reduced misconduct, reduced retaliation, and reduced pressure to compromise standards.\(^2\) Research also demonstrates that organizations must measure culture over time to drive improvement. VCU has recognized this and since 2019, VCU’s Culture and Climate Survey has measured employee perceptions and outcomes on diversity, inclusion, and engagement via “indexes” to focus progress.

In the past year, ICO prepared to create, with Institutional Research and Decision Support (IRDS), an Integrity Index based on selected elements of the existing Culture and Climate Survey. Due to organizational changes in IRDS, the Culture and Climate Survey was not administered in 2023. ICO will instead contract for an externally hosted culture survey focused on integrity that will be deployed in the winter or spring of FY 2024. The survey will provide baseline data for improvement and robust benchmarking to compare VCU with similar institutions.

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ICO will work with departments and units to understand their results and take actions to improve and sustain a culture of integrity and openness over time.

In the meantime, in recognition of the risk identified last year regarding the need for leadership development emphasizing the role of leaders in building a speak up culture, ICO this year developed and delivered a workshop on Psychological Safety to various units (School of Nursing, Facilities Management, Audit and Compliance Services) that has been well-received and will be expanded and delivered more broadly in FY 2024. Based on the groundbreaking work of the researcher Amy Edmondson, author of *The Fearless Organization* (Wiley, 2019), the workshop focuses on the value and criticality of creating work environments without interpersonal fear. It also focuses on simple, practical habits that leaders can adopt to create those environments. ICO will continue in FY 2024 to partner with Human Resources and others to create relevant, engaging training to sustain a culture of integrity and openness, including planned workshops for leaders and staff on civility in the workplace and building individual skill and capacity to speak up effectively.

**Policy Program Update**

Building on the successes of last year, the Policy Program continued to support policy owners across campus in both the development and revision of policies. Significant policy accomplishments this year included: implementing a comprehensive conflict of interest and commitment policy, creating a new policy concerning communicating with government officials, updating of several important Global Education policies, and finalizing the Student Code of Conduct. We also were able to take a significant and much needed look at active policies which were either no longer necessary, focused too heavily on procedure, or conflicted with other policies. This resulted in a record number of policy retirements, including a policy that was almost 40 years old. We were also able to retire an outdated Rules and Procedures policy which conflicted with existing, more up to date policies governing student conduct, employment discrimination, and faculty governance. Currently, 23% of all policies remain out of date, which is the lowest percentage in the past seven fiscal years. This result is in part due to the implementation of the DocTract policy management solution and reinforces our commitment to robust and collaborative outreach to our university partners. This result is also in
part due to a complete review of policies owned by Global Education, a unit of the Office of the Provost. This review resulted in a number of out of date policies being retired and/or updated. In addition, we have been working diligently with Faculty Affairs in the Office of the Provost to update and/or retire out of dates policies. Work remains to be done but progress is being made.

**Regulatory Reporting Monitoring**

This year we sought to better understand how our compliance partners do their work within their units. In addition to seeking one-page summaries of our compliance programs, we met with our partners to discuss possible improvements and sought their guidance on improving the current process for attesting to state and federal compliance requirements. Our goal is to implement an improved attestation process in FY 2024 and to complete an updated summary of our ethics and compliance program and systems university wide by January 2024.

**Investigations and Accountability**

The ICO conducted approximately 19 independent reviews or investigations in FY 2023 and participated in approximately 12 collaborative investigations with partner offices. Metrics reflecting investigative quality improved in FY 2023, with a shorter average case closure time of 48 days and fewer cases open at the end of the fiscal year than in the prior three years. The ICO also supported efforts to standardize and improve investigative practices throughout the university by providing investigative guidelines and training to more than 60 VCU employees who engage or assist in workplace investigations.
In FY 2022, the ICO worked with Employee Relations to align and standardize sanction (the consequence that results from misconduct) recording in Convercent. In FY 2023, the top sanction was Verbal Counseling, followed closely by Required Training. There were four terminations related to misconduct represented in our data in FY 2023, and six resignations, most of which took place in lieu of termination or another sanction.

41% of substantiated concerns in FY 2023 were about a VCU employee who manages other people, and 19% of substantiated concerns involved a subject with a senior leadership title such as “Chair,” “Assistant Dean,” or “Director.” Of the reports about a leader, almost half of them came directly to the ICO through our Helpline, email, or telephone. Cases dealing with a senior leader as the subject had a higher substantiation rate (49% fully or partially substantiated) than the overall case volume, and 44% of those cases came from a reporter who identified themselves as a direct report or within the subject’s chain of command. Speaking up about misconduct observed from a position of leadership can carry real or perceived risk for employees. The ICO is filling a vital role in the university by providing a safe and neutral option for employees to report misconduct, and by conducting thorough investigations that find the facts and deliver actionable recommendations when misconduct is substantiated.

**Training and Communications**

**Annual Ethics & Compliance Training**

The ICO launched the *Ethics and Compliance at VCU* annual training for FY 2022 in March of 2022 after a Covid-related delay. In an effort to realign training delivery with overall training strategy, we also launched the FY 2023 annual training in October of 2022. Our goals for the FY 2023 training included not only a refresh of employees’ awareness and understanding of the Code of Conduct, but also an increase in learner engagement with a related goal of an increase in completion rate. To accomplish this, we departed from the previous format and moved to a more user-friendly application called Articulate Rise, which allows learners to scroll through (rather than click through) the content. We also added interactivity, creating two scenarios where learners could practice applying what they learned by selecting responses to assist fictional employees with making decisions about conflicts of interest. (Fig. 1) Finally, we produced several videos for the training. In one, we heard what ethics and integrity
mean to our students (Fig. 2), followed by a greeting from our Chief Ethics and Compliance Officer linking our conduct to student expectations. In another, we called upon leadership to share their testimonials about speak-up culture and working with the ICO. In a third video we featured faculty and staff explaining how they bring ethical values to their jobs each day. Topics for the FY 2023 training included the Duty to Report Policy, Conflict of Interest or Commitment, Giving and Receiving Gifts, and Civility in the Workplace. These were followed by a review of the Code of Conduct.

In a post-training survey completed by 150 of the 500 employees invited to participate, comments fell into five categories. When asked how we could improve the training employees had the most to say about content and design. Comments about content included requests for more scenarios about ethical dilemmas that fall within that grey area where there is no obvious “right” or “wrong” decision. They also revealed a desire for training in handling misconduct among leadership. Comments about design ranged from kudos for the fresh approach, the interactivity, and the videos, to opportunities for shorter training (eliminate the videos), a test-out option, and more rigor. While we hope to incorporate many of these suggestions with the next training release, we feel we are headed in the right direction in effectively engaging employees.

Year over year completion rates for the annual training trended up for FY 2023, with 95% of employees completing their training compared to FY 2022 during which only 74.3% of employees and 82.28% of managers completed their training. (In FY 2022, there were two versions, one for managers and one for employees. In FY 2023, we delivered one version to all employees). While we feel good about the number of employees who eventually completed their E&C training, much effort was required to contact employees and managers repeatedly to inch toward 100% compliance. To address this issue, we are partnering with Human Resources to
improve awareness and tracking of required training across the university for FY 2024.

**Ongoing Education Efforts**

As part of its mission to increase awareness about ethics and compliance issues and to connect more broadly with the university community, the ICO continued some existing education efforts and created some new ones. Highlights included the following:

- Created a new workshop on Psychological Safety and conducted it for the School of Nursing, Audit and Compliance Services leadership, the Facilities Management Division, Parking and Transportation, and VCU Police. As of this writing, two additional units have invited us to conduct this workshop for them.
- Continued to publish the quarterly policy newsletter *Policy Points* which highlights new and revised policies from the previous quarter.
- Published our monthly blog containing *Compliance Corner*, an informative post on topics relevant to ethics and compliance and *Compliance Case Study*, based on actual cases handled by our team. Recent *Compliance Corner* posts addressed a variety of issues, from what happens to culture when employees don’t speak up to finding your voice to speak up to power. Recent *Compliance Case Study* posts followed one employee who misused university resources and another whose leadership skills were undermined by his own misconduct. New blog posts are announced via Telegram and subscriber email, and links to the compliance blog can be found on the ICO’s landing page.
- Sent periodic email blasts to university faculty and staff, each one a campaign with focused messaging, driven by data and current trends.

Outreach to compliance partners and other employees across the university took several forms this year.

- Consulted with several partners about creating tailored compliance training for their needs. Working with International Affairs Security Workgroup to create a microlearning module on foreign influence.
• Participated in a workgroup to coordinate required training across units for twice-annual releases through Human Resources.

• Sponsored tables at university events like the Tech Fair and the Benefits Fair to promote the VCU Helpline and socialize the new Conflict of Interest/Commitment Policy.

Risk Assessment and Monitoring

Conflicts of Interest & Commitment

During Fiscal Year 2023, the ICO completed Phase Two of the project to implement an effective and efficient university-wide Conflicts of Interest & Commitment (COI&C) reporting process to replace the current inconsistent and paper-driven process. Under an interim COI&C policy, four schools began a pilot reporting program within Convercent: School of Nursing, School of Pharmacy, School of the Arts, and School of Education. Faculty and other employees in Positions of Trust within these units reported potential conflicts via ad hoc Outside Professional Activity (OPA) reporting and via an annual questionnaire sent out in December 2022. The pilot program resulted in 455 submitted disclosures from these four locations, with a clearance rate of 67% and an average of 61 days open. Most disclosures (90%) were in the Outside Professional Activities category, including activities such as consulting or speaking at conferences. 70% of targeted employees completed the questionnaire, which prompted disclosures in multiple categories including Outside Professional Activities, External Financial Interests, Personal Family Relationships, and Gifts/Services Given or Received.

In Spring 2023, a permanent COI&C policy was approved, paving the way for Phase Three, the final phase of this project: university-wide implementation. The ICO is currently working to build the administrative infrastructure to launch the use of Convercent within all academic units for faculty OPA reporting in Fall 2023, and the annual questionnaire will go out to all employees in Positions of Trust in December 2023.

An important principle of this process is that supervisors and leaders within units across the university have the responsibility to review and approve disclosures, allowing them to use their detailed knowledge of their employees and units to identify any conflicts that need to be managed. While the ICO is available to offer assistance with any conflicts that need to be escalated, we have been working to empower managers to own this process through job aids, training, and communication. An area of improvement for FY 2024 will be working with units to encourage prompt disclosure and prompt and thorough review of disclosures, and we hope to see the percentage of cleared disclosures and the percentage of questionnaire completion rise. We also hope to begin reviewing and reporting aggregate data on the most common types of disclosures, for which issues typically require a conflict of interest or commitment management plan, and other useful trend data.

Research Infrastructure

Again this year, several matters arising out of the Office of the Vice President for Research and Innovation (OVPR) demonstrated the continuing need to assess and mitigate research infrastructure risk. As VCU
continues to grow as a public research university, it must prioritize its research infrastructure and culture to manage increasing demands for research compliance and monitoring. This includes ensuring technological support for compliance systems, adequate training, and development of staff to support the full range of research being sponsored by VCU, and a strong ethical culture. After a thorough audit by the Office of Human Research Protection of the U.S. Department of Health and Human Services, corrective actions continue to be implemented to improve processes and practices in OVPRI. This includes improving resources and accountability in the School of Medicine or other sponsoring units, improving the efficiency and transparency of processes for approval of research studies, and continuing to build a strong speak-up culture across all research stakeholders that will support integrity and safety for patients while executing world-class research. ICO will continue to partner with OVPRI and others to support these actions.

Enterprise Risk Management (ERM)

The Integrity and Compliance Office is a nonvoting member of the Enterprise Risk Management Steering Committee that restarted this year after being interrupted by the pandemic. This was a productive year for ERM during which several out of tolerance risks were reviewed and mitigation plans updated and discussed. As effective and integrated risk assessment and mitigation remains a foundational feature of effective ethics and compliance programs that regulators and enforcement authorities expect, ICO will continue to ensure that its perspective on risks to the university, based on its monitoring activity including review of investigations of reported concerns, reviews of COI disclosures, and engagement with compliance partners, is integrated into the ERM process and reflected in the Committee’s reporting to the Cabinet and the Board of Visitors. ICO will also continue to advocate for an ERM process that is fluid and continuously updated to account for emerging risks and changing conditions, especially in highly regulated areas such as research, EAS/Title IX, and athletics. Finally, ICO has prioritized working with compliance partners to ensure that each compliance area has adequate documentation of its policies, processes, training, and monitoring to support identification of risks and remediation of gaps, and that those risks are included or considered in the ERM process.

Ethical Leadership and Sustaining a Speak-Up Culture

As noted above in our report of our investigative data for FY 2023, substantiated cases of failures in ethical leadership point to a continuing risk and issue for focus. Ensuring ethical leadership that sustains a psychologically safe and speak-up culture remains a top priority. National trends indicate that leaders are under increased scrutiny, particularly top leaders of organizations and their governing boards. Employees are becoming more emboldened to report misconduct even as they experience the risk of retaliation and pressure to cut corners. The ICO’s data indicates that VCU is not an exception to these trends. As employees seek work environments with leaders they respect, VCU must continue to emphasize integrity and commitment to inclusivity as indispensable qualifications for succeeding as a leader at VCU. The ICO looks forward to delivering the integrity survey in the second half of FY 2024 to support a better understanding of the state of VCU’s culture of integrity, and the ICO will continue today to partner with offices around the university to offer education, facilitation, and coaching on what it means to be an ethical leader.
Audit and Management Services
Status of Fiscal Year 2022-2023 Audit Work Plan
August 22, 2023

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<tr>
<th>Area</th>
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<td>Government Relations Internal Controls Review</td>
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Audit and Management Services  
Status of Fiscal Year 2022-2023 Audit Work Plan  
August 22, 2023

## Annual Engagements and Activities

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<td>President’s Discretionary Fund and Travel Activity Review – FY23</td>
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<td>VCU Police Department – Unannounced Property Inspection – FY23 Part 1</td>
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<td>Audit Risk Assessment – FY24</td>
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<td>VCU Police Department – Unannounced Property Inspection – FY23 Part 2</td>
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## Special Project

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*Management requested to postpone the audit until FY25 due to delays in implementing the system.*
Audit and Management Services  
Status of Fiscal Year 2023-2024 Audit Work Plan  
August 22, 2023

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<tr>
<td>Prior Year Work Plan: Academic and Executive Administrator Contracts (replaced SCHEV Reporting)</td>
<td>Completed</td>
</tr>
<tr>
<td>Prior Year Work Plan: Records Management</td>
<td>In Progress</td>
</tr>
<tr>
<td>Prior Year Work Plan: ERM RMM Plan Evaluation</td>
<td>In Progress</td>
</tr>
<tr>
<td>Prior Year School of Pharmacy IT Review</td>
<td>In Progress</td>
</tr>
<tr>
<td><strong>Current Year Risk-based Audits and Assessments</strong></td>
<td></td>
</tr>
<tr>
<td>President’s Office ICCR</td>
<td>In Progress</td>
</tr>
<tr>
<td>SCHEV Reporting</td>
<td>In Progress</td>
</tr>
<tr>
<td>Ancillary Systems Integrity</td>
<td>In Progress</td>
</tr>
<tr>
<td>Service Contract Management</td>
<td>In Progress</td>
</tr>
<tr>
<td>Massey Cancer Center IT Review</td>
<td>In Progress</td>
</tr>
<tr>
<td>Human Resources – Compensation</td>
<td>Not Started</td>
</tr>
<tr>
<td>Facilities Management – Deferred Maintenance</td>
<td>Not Started</td>
</tr>
<tr>
<td>Online Distance Learning</td>
<td>Not Started</td>
</tr>
<tr>
<td>VCU Card Office</td>
<td>Not Started</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>Not Started</td>
</tr>
<tr>
<td>Procurement Office ICCR</td>
<td>Not Started</td>
</tr>
<tr>
<td>College of Health Professions ICCR</td>
<td>Not Started</td>
</tr>
<tr>
<td>Qatar Campus ICCR</td>
<td>Not Started</td>
</tr>
<tr>
<td>Centers and Institutes Technical Review</td>
<td>Not Started</td>
</tr>
<tr>
<td>Canvas IT Security Review</td>
<td>Not Started</td>
</tr>
<tr>
<td>Pyramed (Student Health) System Review</td>
<td>Not Started</td>
</tr>
<tr>
<td>Sunapsis (VISA Management) System Review</td>
<td>Not Started</td>
</tr>
<tr>
<td><strong>Annual Engagements and Activities</strong></td>
<td></td>
</tr>
<tr>
<td>Audit Risk Assessment – FY24</td>
<td>Not Started</td>
</tr>
<tr>
<td>President’s FY 23 Discretionary Fund and Travel Activity Review</td>
<td>In Progress</td>
</tr>
<tr>
<td>VCU Police Department – Unannounced Property Inspection – FY24 Part 1</td>
<td>Not Started</td>
</tr>
</tbody>
</table>
### Audit and Management Services
**Status of Fiscal Year 2023-2024 Audit Work Plan**
**August 22, 2023**

<table>
<thead>
<tr>
<th>Special Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>VCU Police Department – Unannounced Property Inspection – FY24</td>
<td>Not Started</td>
</tr>
<tr>
<td>Annual Review of Audit Recommendations Outstanding – FY24</td>
<td>Not Started</td>
</tr>
</tbody>
</table>

#### Continuing Projects

<table>
<thead>
<tr>
<th>Special Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Employees Fraud, Waste, and Abuse Hotline</td>
<td>In Progress – 0; Closed – 0</td>
</tr>
<tr>
<td>University Compliance Helpline Investigations</td>
<td>In Progress – 1; Closed – 4</td>
</tr>
</tbody>
</table>

#### Other Projects

<table>
<thead>
<tr>
<th>Special Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Management and Accounts Payable Project</td>
<td>In Progress</td>
</tr>
</tbody>
</table>
Board of Visitors
Audit, Integrity and Compliance Committee

September 14, 2023
ACTION ITEMS
• Audit, Integrity and Compliance Committee Meeting held on May 11, 2023

• Motion to approve the Minutes
FOR INFORMATION
Committee Dashboard Measures

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

- Staffing and Credentials
  - Well Qualified

- Department Expenses
  - Department expenses higher than prior year due to 5% pay increase but still within authorized budget

- Audit Survey Results
  - Overall rating of 3.62/4.0; consistent with rating of 3.61 in FY22
## Status of FY23 Follow-up Report

### Board Level Finding

<table>
<thead>
<tr>
<th>Enforce Central Works Pro Fire Alarm Server Security Baseline Compliance <em>(Jan 2020)</em></th>
<th>First Revised Date</th>
<th>Current Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jan 2023</td>
<td>June 2024</td>
</tr>
</tbody>
</table>

### Management Level Findings

<table>
<thead>
<tr>
<th>Facilitate Establishment of Policy to Govern Non-Research Institutes and Centers <em>(Jan 2020)</em></th>
<th>First Revised Date</th>
<th>Current Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 2023</td>
<td>May 2024</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Develop Operations Center Disaster Recovery Plan <em>(Jan 2020)</em></th>
<th>First Revised Date</th>
<th>Current Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jan 2023</td>
<td>June 2024</td>
</tr>
</tbody>
</table>
Audit Scope:

• Accurate calculation of parking rates
• Timely deactivation of parking privileges upon separation from the university
• Collections of fines for parking violations
• Method of determination and monitoring of reserves

Conclusion:
Parking collected sufficient revenues to sustain operations as an auxiliary enterprise and maintain required reserves, however, parking did not have a policy and related procedures for collecting unpaid fines and penalties compliant with the Virginia Debt Collection Act

One Board Level Finding
• Develop a Parking, Citations, and Enforcement Policy
Audit Scope:
Reviewed selected controls and compliance areas
• reconciliations
• purchases
• Pcards
• fixed asset management

No Board level findings
Audit Scope:

We focused on an evaluation of Athletics’ compliance program specific to NIL activities, based on the elements of an effective compliance program:

• Oversight
• Policies
• Training
• Communication
• Monitoring
• Enforcement
• Corrective Action

Conclusion:

Athletics had effective compliance processes in place that would ensure due diligence in compliance with name, image and likeness regulations.

No Board level findings
Academic and Executive Administrator Contracts

Audit Scope:
Our review encompassed fiscal years 2022 and 2023, focusing on current practices of developing and issuing employment contracts for academic and executive administrator contracts.

Conclusion:
Current academic and executive administrator contracts reflect compensation appropriately approved and adjusted for changes in roles and responsibilities

No Board level findings
Annual Report Highlights

Three-Year Workplan Areas of Focus

- Program Structure
- Culture
- Policies
- Investigations and Accountability
- Training and Communications
- Risk Assessment and Monitoring
Compliance Steering Committee meets quarterly:

- Focused on compliance program documentation (one-pagers), improvements in training/communication, monitoring/auditing and risk assessment
- Forum for information sharing, collaboration and issue-spotting (compliance gaps)
- Larger Compliance Advisory Committee meets twice annually, usually including a government relations briefing
Culture and Data Analysis

Report volumes are trending up to pre-pandemic levels; retaliation allegations, anonymous reports trending down

- **Total Volume Reported Concerns**: 262
- **24% from FY 2022**
- **Reporting Route**: 63% Compliance Partners, 11% Audit & Compliance, 26% VCU Helpline

---

**Case Volume Over Time**

- FY 2018: 267
- FY 2019: 238
- FY 2020: 211
- FY 2021: 177
- FY 2022: 262

---

**Anonymous Reporting Rate**: 21%

**Overall Substantiation Rate**: 48%

- Unsubstantiated: 19%
- Substantiated: 24%
- Partially Substantiated: 6%

---

**Top Five Substantiated Issues**

1. **Ethics Violations**
   - 33 substantiated/53 closed
   - 62%
2. **Employee Relations**
   - 25 substantiated/36 closed
   - 69%
3. **Health or Safety/Security Concerns**
   - 9 substantiated/10 closed
   - 90%
4. **Regulatory - Research**
   - 8 substantiated/14 closed
   - 57%
5. **Waste, Misuse, or Theft of Resources**
   - 5 substantiated/7 closed
   - 71%
Culture and Data Analysis

Adjusted substantiation rate (excluding cases not investigated) rises to 58%, favorable to benchmarks and SPLY. Anonymous rate remains better than internal benchmark and significantly better than external rate.

<table>
<thead>
<tr>
<th></th>
<th>Cases per 100 Employees</th>
<th>Anonymous Reporting Rate</th>
<th>Substantiation Rate</th>
<th>Concerns of Retaliation</th>
<th>Most Common Issue Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAVEX Benchmark</td>
<td>1.47</td>
<td>56%</td>
<td>41%</td>
<td>0.96%</td>
<td>HR, Diversity, and Workplace Respect</td>
</tr>
<tr>
<td>VCU Internal Benchmark</td>
<td>1.95</td>
<td>23%</td>
<td>45%</td>
<td>7%</td>
<td>Ethics Violation</td>
</tr>
<tr>
<td>Current Fiscal Year</td>
<td>2.45</td>
<td>21%</td>
<td>30% raw/58% adj’d</td>
<td>7%</td>
<td>Ethics Violation</td>
</tr>
</tbody>
</table>
Due to organizational changes in Institutional Research and Decision Support (IRDS) and Institutional Equity, Effectiveness and Success (IEES), VCU’s Culture and Climate Survey was not fielded in FY 2023, so the planned Integrity Index was not delivered.

Instead, the Integrity and Compliance Office (ICO) is contracting for a third-party hosted integrity survey to be fielded in FY 2024 to provide baseline and benchmarked data on the culture of integrity at VCU.

ICO will report this data to departments and partner with them to understand their results and make progress in sustaining a culture of integrity and openness.
Measuring Culture

When leaders demonstrate a commitment to ethics, workplace integrity improves significantly.*

- Pressure to Compromise Standards: 3% (Top management perceived to have WEAK ethical commitment)
- Observed Misconduct: 23% (Top management perceived to have STRONG ethical commitment)
- Reported Misconduct: 54% (Top management perceived to have WEAK ethical commitment)
- Experienced Retaliation: 42% (Top management perceived to have STRONG ethical commitment)

Policy Program Update

**161 Total Policies**

- **13** New or Substantially Revised
- **20** Minor Revisions Made
- **37** Past Due or Under Review
- **7** Retired

**Out of Date Policies Over Time**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>53%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>34%</td>
</tr>
<tr>
<td>FY 2019</td>
<td>37%</td>
</tr>
<tr>
<td>FY 2020</td>
<td>40%</td>
</tr>
<tr>
<td>FY 2021</td>
<td>34%</td>
</tr>
<tr>
<td>FY 2022</td>
<td>28%</td>
</tr>
<tr>
<td>FY 2023</td>
<td>23%</td>
</tr>
</tbody>
</table>
Investigations and Accountability

Sanctions
- Verbal Counseling: 23
- Training Required: 21
- Written Counseling: 11
- Written Warning I: 11
- Resignation: 6
- Termination: 4
- Group I Written Notice: 4

48 Average Days to Close
28 Open Cases Remaining

Reported Concerns Severity Level
- 191 Low
- 58 Medium
- 13 High

High Severity Substantiated Issues
- Ethics Violation
- HIPAA Compliance
- Waste, Misuse, or Theft of Resources
- Conflict of Interest
- Bullying
- Retaliation
- Regulatory - Research

Percentage of Caseload Still Open at End of FY
- FY 2020: 19%
- FY 2021: 17%
- FY 2022: 14%
- FY 2023: 11%
Training and Communications

- Launched two university-wide required trainings (to catch up from pandemic delay)
- Increased employee engagement by adding interactive scenarios (Fig. 1), videos featuring students (Fig. 2), faculty, staff and our CECO to the FY 2023 training
- Created/facilitated new workshop for leadership on Psychological Safety; recently debuted a team version, for managers and employees
- Continued monthly blog, featuring E&C trends and case studies
Risk Assessment and Monitoring

**COI&C**
- Action: Completed new COI&C policy, completed pilot test in four schools, new system rolling out now university-wide
- Results: Standardizes expectations, closes compliance gaps, reduces administrative burden

**Research Infrastructure**
- Action: Handle research matters in close collaboration with OVPRI, support “speak-up, listen-up” cultural learning and development in OVPRI and with partners
- Results: Renewed focus on Research Infrastructure, must support compliance and culture of transparency and accountability

**Speak-up Culture & Leadership**
- Action: Created, continuing facilitation of Psychological Safety workshop for leaders and teams
- Results: Reduced allegations and substantiation of retaliation but continued trend of significant number of substantiated cases involving more senior leaders

**ERM**
- Action: Participating in ERM Steering Committee; engaging both CAC and CSC in documenting, integrating risk identification, mitigation and escalation processes
- Results: Provides opportunity to integrate risk assessments, ensures emerging risks are captured and addressed
IT Risk Management Update

Board of Visitors Meeting
Audit, Integrity and Compliance Committee
Alex Henson, Chief Information Officer
September 14, 2023
Enterprise Risk Classified Out of Tolerance

IT System Availability and Data Security

Extended systems or connectivity outage

Theft or improper exposure of data
Sub-Risks and Drivers

Unplanned outage of Ellucian Banner ERP System (Finance, HR, Student)

- Run on-premise in one data center with limited fail-over capability
- Vulnerable to power and weather conditions
- Time to restore in the event of disaster increased impact/severity associated with risk
- *Risk drastically reduced through Ellucian Cloud migration*

Data exposure or theft through Ransomware, Malware, or other attack vector focused on end-users

- Decentralized device management
- Controls like Multi-factor authentication (MFA) and the Virtual Private Network (VPN) did not cover the whole enterprise
- *Risk reduced by implementing SASE/Zscaler zero-trust architecture and leveraging centralized endpoint management*
Risk Mitigation: IT Infrastructure

Develop and maintain a modern, robust, and “always-on” IT infrastructure to maximize uptime and minimize vulnerabilities and operational impact due to external factors.

Cloud Strategy and Service Migrations
- Banner migration to Ellucian Cloud
- Cloud migration of other vendor managed applications
- Cloud-first strategy and roadmap development
- Leverage Infrastructure as a Service (IaaS) where advantageous

Technology Operations Center
- TOC Construction in progress for go-live of new data center in early 2024
- Redundant power and generator
- Robust back-up and recovery leveraging in-house and cloud resources

Network Upgrades & Expansion
- Continued development of redundant fiber paths
- Use of multiple commodity internet providers
- Implementation of Application Centric Infrastructure (ACI) to automate and optimize the data network progressing

IT Infrastructure Management
- Day to day maintenance, upgrades, support of systems/services
- Rigorous change management procedures/processes
- Leverage new technologies
Risk Mitigation: Data Security

Develop and maintain a secure IT environment with supporting policies and processes that drive compliance to security and privacy laws and protect VCU data

Implement New Security Architecture
- Phase 1 of Secure Access Server Edge (SASE) deployment complete with zScaler fully implemented
- Upgrading VPN and ultimately replacing with cloud-based service

Expand Multi Factor Authentication
- Use of DUO multifactor authentication now mandatory for students
- DUO authentication required for all applications with any level of sensitive data

Renewed Focus on Secure Data Use for Research
- Implementing new Horizon system for researchers accessing clinical data
- Strengthening Honest Broker program for researchers to use data protected by HIPAA
- Enhanced support for PIs

IT Governance and Data Governance
- Revamped IT Governance program to ensure all IT purchases have thorough security review and data classification review
- Continued refinement of data governance policies and procedures and investment in technologies that automate data governance
Emerging Risks & Challenges

Increasing reliance on Third-Parties
- Reliant on contractual provisions, security assessments, and audit reports
- Proliferation of cloud-based services requires increased scrutiny and governance

Increased sophistication of global ransomware organizations and other threat actors
- "Long game" targeted social engineering has become profitable
- Credential stuffing and other threats have increased
- Education and training even more critical

Increasing Compliance Requirements
- New GLBA and Department of Education requirements – particularly around Financial Aid and other Controlled Unclassified Information (CUI)
- Latest version of PCI-DSS (Payment Card Industry – Data Security Standards) is more stringent
Questions?
CLOSED SESSION