



**Board of Visitors
Audit, Integrity and Compliance Committee
8:30 a.m.
May 13, 2021
James Cabell Library
901 Park Avenue, Room 303, Richmond, Virginia
& Virtual**

Minutes

BOARD MEMBERS PRESENT

Dr. Shantaram Talegaonkar, *Chair*
Ms. Carolina Espinal, *Vice Chair*
Mr. Edward McCoy, *Secretary*
Mr. Peter Farrell
Ambassador Carmen Lomellin
Ms. Coleen Santa Ana

OTHER BOARD MEMBERS PRESENT

Keith Parker, Rector
H. Benson Dendy III, *Vice Rector*
Dr. Tonya Parris-Wilkins
Mr. Todd P. Haymore

COMMITTEE MEMBERS ABSENT

Ms. Alexis Swann

OTHERS PRESENT

Ms. Karen Helderman, *Executive Director for Audit and Compliance Services*
Dr. Michael Rao, *President*
Mr. Jacob A. Belue, *Associate University Counsel*
Staff from VCU

CALL TO ORDER

Dr. Shantaram Talegaonkar, Chair, called the meeting to order at 8:38 a.m.

APPROVAL OF AGENDA

Dr. Talegaonkar asked for a motion to approve the agenda for the May 13, 2021 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the agenda for the May 13, 2021 meeting of the Audit, Integrity, and Compliance Committee (AICC) was approved by a roll call vote:

Vote

Ayes

Nays

Dr. Shantaram Talegaonkar, Chair	X
Ms. Carolina Espinal, Vice Chair	X
Mr. Edward McCoy	X
Mr. Peter Farrell	X
Ambassador Carmen Lomellin	X
Ms. Coleen Santa Ana	X
Keith Parker, Rector	X
H. Benson Dendy III, Vice Rector	X
Dr. Tonya Parris-Wilkins	X
Mr. Todd P. Haymore	X

APPROVAL OF ACTION ITEMS

The committee reviewed and discussed two action items, the review and approval of Internal Audit's FY22-24 Work Plan and FY22 Ethics and Compliance Program Initiatives. Both items were recommended by the committee for the board's approval. After motion duly made and seconded, all were approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Dr. Shantaram Talegaonkar, Chair	X	
Ms. Carolina Espinal, Vice Chair	X	
Mr. Edward McCoy	X	
Mr. Peter Farrell	X	
Ambassador Carmen Lomellin	X	
Ms. Coleen Santa Ana	X	
Keith Parker, Rector	X	
H. Benson Dendy III, Vice Rector	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Todd P. Haymore	X	

A copy of the Internal Audits FY22-24 Work Plan is attached hereto as ***Attachment A*** and is made a part hereof.

Auditor of Public Accounts (APA) Entrance Conference for FY2019 Audit

Mike Reinholtz, APA Audit Director, discussed the planning and scope for the FY19 annual financial audit. The discussion covered the timing of this year's audit, audit scope and objectives, risk considerations, audit and management responsibilities and audit reporting communications. A copy of the Entrance Conference memo is attached hereto as ***Attachment B*** and is made a part hereof.

Audit, Integrity and Compliance Committee Dashboard Measures

Karen Helderman presented the current status of the dashboard measures. Indicators for Data Security, Ethics and Compliance Program Oversight and ERM Program were yellow and other indicators were green.

Report from the Executive Director of Audit and Compliance Services

Karen Helderman provided an update on previously unresolved findings reported in the fiscal year 2020 annual follow up report, noting that a finding due this reporting period was successfully completed. The Executive Director also briefed the committee on the results of the Life Sciences audit followed by an overview of VCU's process to develop and maintain policies.

Enterprise Risk Management (ERM) Update

Tom Briggs, Assistant VP for Safety and Risk Management, provided an update on the Enterprise Risk Management program, noting planned increased collaboration with Internal Audit during the 2021 calendar year.

A copy of the presentations are attached hereto as *Attachment C* and is made a part hereof.

CLOSED SESSION

Ms. Espinal then moved that the Audit, Integrity, and Compliance Committee of the Virginia Commonwealth University Board of Visitors convene a closed session under the Virginia Freedom of Information Act in order to discuss pursuant to Section 2.2-3711 (A)(7) and (8), of the Virginia Freedom of Information Act for the discussion of matters requiring the provision of legal advice by counsel, relating to an update on potential and current litigation in state and federal courts and other legal matters relating to pending investigations; and pursuant to Section 2.2-3711 (A)(19) for discussion of specific cybersecurity vulnerabilities and briefing by staff concerning actions taken to respond to such matters, specifically relating to data security and certain IT processes.

The motion was seconded and approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Dr. Shantaram Talegaonkar, Chair	X	
Ms. Carolina Espinal, Vice Chair	X	
Mr. Edward McCoy	X	
Mr. Peter Farrell	X	
Ambassador Carmen Lomellin	X	
Ms. Coleen Santa Ana	X	
Keith Parker, Rector	X	
H. Benson Dendy III, Vice Rector	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Todd P. Haymore	X	

RECONVENED SESSION

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

Resolution of Certification

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

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Dr. Shantaram Talegaonkar, Chair	X	
Ms. Carolina Espinal, Vice Chair	X	
Mr. Edward McCoy	X	
Mr. Peter Farrell	X	
Ambassador Carmen Lomellin	X	
Ms. Coleen Santa Ana	X	
Keith Parker, Rector	X	
H. Benson Dendy III, Vice Rector	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Todd P. Haymore	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

There being no further business Dr. Talegaonkar, Chair, adjourned the meeting at 9:45 a.m.

ATTACHMENT A

Proposed Three Year Audit Workplan

FY22	FY23	FY24
Grants & Contracts - State and Local	Financial Aid SCHEV Reporting	Faculty Workload Analysis
School of Education Child Development Center	Export Controls	Student Organizations
Banner Controls - AP and General Ledger	ERM RMM Plan Evaluation	Federal Work Study Spending
SOC Reports - Integrated	Foreign Influence	Course Substitution Process
Unused Scholarships	Postdocs	Faculties and Administrative Cost Recoveries
Steam Plant Billing & Allocation	Online Distance Learning Controls	Deferred Maintenance
HS & VCU Operations & Services Agreement	Student-athlete name, image & likeness; NCAA review	HR - Compensation and Classification
External Memorandums of Understanding	Budget Process - part 2	VCU Card Office
Various Fiscal & Administrative Reviews	Various Fiscal & Administrative Reviews	Various Fiscal & Administrative Reviews
Various Petty Cash Audits	Various Petty Cash Audits	Various Petty Cash Audits
IT Audits:	IT Audits:	IT Audits:
Third-Party Management/SOC Reports	Software Asset Inventory	Massey Cancer Center
Physical Access Management (CBORD)	Research Computing/High Performance Computing Security & Data Storage	Centers and Institutes Technical Review
COVID Data Security	Google G-Suite	Business Continuity Planning
Titanium System Review	School of Pharmacy	College of Humanities and Sciences
Maxient System Review	Axiom System Review	Pyramed/QS1 System Review
Data Integrity - Database Security and Controls Review	Millenium System Review	Sunapsis System Review
	Tableau Usage and Security	Web Services and Applications Security Review
Prior Year Carryover:		
Social Media		
Procurement & Payment		
IT - Identity Access Management System		

ATTACHMENT B

Virginia Commonwealth University
Audit, Integrity and Compliance Committee
Entrance Conference
May 13, 2021

1. APA audit team and resources

Project Manager – J. Michael Reinholtz (mike.reinholtz@apa.virginia.gov)

In-Charge – Chuck Schauvliege (chuck.schauvliege@apa.virginia.gov)

2. Audit timing – Our Office’s workplan requires completion of the Universities that are material to the Commonwealth’s Annual Comprehensive Financial Report (UVA, VCU, and VT) in the fall of each year.

3. Timeline of the audit completion – We will begin control and transaction testing in the late spring and will complete substantive testing during the fall. We will also test the consolidation of the VCU Health System Authority and Foundations’ financial information as part of the University financial statement audit process. Our anticipated deadline is November 2021.

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

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

5. Statewide single audit support – During the audit, we will also be auditing the federal student financial aid programs to support our statewide single audit. Detailed compliance and control audit work in this area is performed based on a statewide cycle.

6. Audit scope – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University. We will issue a report on internal controls and compliance that will include any findings or recommendations that we identify as a result of the audit.

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

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



Required Communications with the Board

Responsibilities during the audit process:

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

- **Overall Audit Objectives**

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

- **Audit Procedures-General**

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

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

- **Audit Procedures-Internal Control and Compliance**

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

- **Audit Procedures – Group Audits**

Our audit will include obtaining an understanding of the consolidated group, sufficient to assess the risks of material misstatement of financial information derived from significant components to design the nature, timing, and extent of further audit procedures, including the basis for the decision to make reference in our audit opinion to audits of significant components performed by other auditors.

- **Those charged with governance**

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

- **Management's Responsibilities**

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

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identify and ensure compliance with applicable laws, regulations, contracts, and grant agreements
- Informing the APA about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements
- Informing the APA (and others as required by the Code of Virginia § 30-138) of knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, regulators, or others
- As received, forward copies of each federal audit performed on institution programs or activities to the Auditor of Public Accounts as required by Chapter 836 § 4-8.02 a. of the 2017 Virginia Acts of Assembly.
- Informing the APA of any potential documents that are FOIA exempt
- Ensuring that management is reliable and financial information is reliable and properly recorded
- Making all financial records and related information available to the APA
- Providing the APA with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence
- Responding to audit findings and recommendations, as well as providing planned corrective actions and the timing and format for providing that information
- Providing the APA at the end of the audit with a written letter confirming certain representations made during the audit
- Adjusting the financial statements to correct material misstatements and providing the APA with a representation that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
- For Group audits, management is responsible for the following:
 - Informing the component's management of any matter that the group engagement team becomes aware that may be significant to the financial statements of the component, but of which component management may be unaware.
 - Implementing procedures to determine if there are subsequent events for components through the APA's audit report date.

- Implementing procedures to identify and disclose the component's related parties and related party transactions.
 - Implementing policies and procedures related to the consolidation of group financial information.
- **Audit, Integrity and Compliance Committee**
 - Communicate with APA about audit scope
 - Communicate with management and internal audit regarding progress
 - Receive reports and findings from management and external audit

Other Elements of the audit process:

- **Overall planned scope of the audit**
 - **Approach to internal control** – We review internal controls to identify those areas where we can replace substantive testing with transactional testing. We look for management to have written formal policies and procedures and check for the implementation of those procedures.
 - **Concept of materiality** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University.
- **Identification of potential fraud risks**
 - **Approach to fraud** – Most of our audit is focused on our opinion on the financial statements and materiality. Our primary interest related to fraud would be in how it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. However, we review policies and procedures for fraud risk and may direct our testwork towards addressing fraud risk.
 - **Responsibility for identifying fraud risks and fraud** – Auditing standards require us to assess fraud risk, interview management and staff about their knowledge of fraud and fraud risk, and review exceptions for indications of possible fraudulent transactions. Auditors should be looking for red flag fraud indicators. Even though government entities are not always profit oriented, the auditors remain vigilant about financial statement fraud.
 - **Report fraudulent transactions as required by Code of Virginia § 30-138** Agencies are responsible for reporting circumstances that suggest a reasonable possibility that a fraudulent transaction has occurred involving funds or property under their control, where an officer or employee of the state or local government may be involved. Items should be reported to the Auditor of Public Accounts, the State Inspector General, and the Superintendent of State Police.
- **Audit Reporting**
 - We will issue a written report upon completion of our audit of the University's financial statements. We will make reference to the Component Auditor's audit of the Virginia Commonwealth Health System Authority, and the University's Foundations in our report on the University's financial statements. Our report will be addressed to the Board of Visitors of the

University. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph(s). If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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



Board of Visitors
Audit, Integrity and Compliance Committee

May 14, 2021

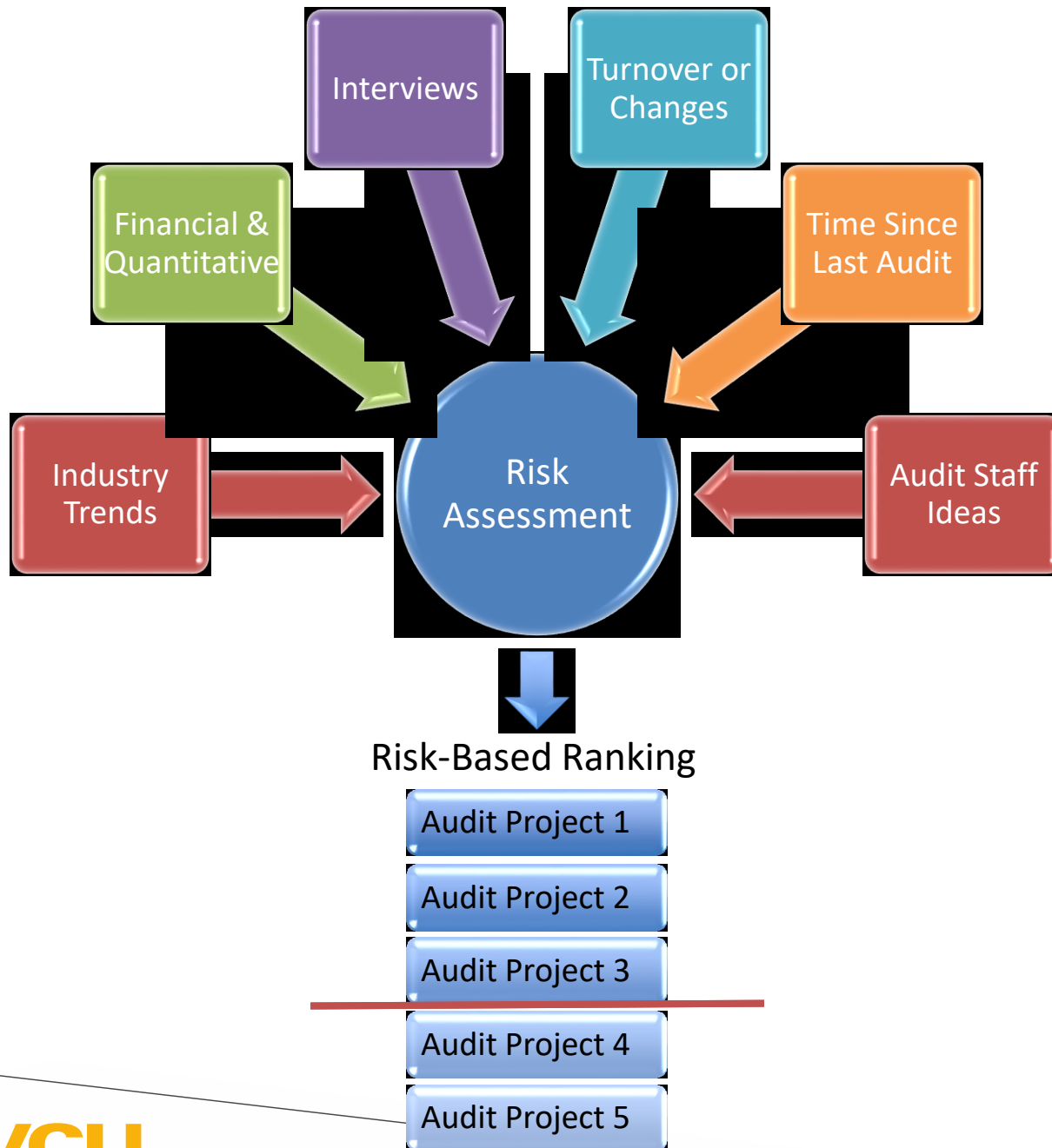
ATTACHMENT C



VCU

Approval of Minutes

- Audit, Integrity and Compliance Committee Meeting held on March 5, 2021
- Motion to approve the Minutes



Risk Assessment Process

- FY21 effort generates FY22 - FY24 tentative work plan
- Work plan reviewed and revised annually to reflect newly identified risks
- Board approves audit plan each May for next fiscal year

Proposed Three Year Audit Work Plan

FY22	FY23	FY24
Grants & Contracts - State and Local	Financial Aid SCHEV Reporting	Faculty Workload Analysis
School of Education Child Development Center	Export Controls	Student Organizations
Banner Controls - AP and General Ledger	ERM RMM Plan Evaluation	Federal Work Study Spending
SOC Reports - Integrated	Foreign Influence	Course Substitution Process
Unused Scholarships	Postdocs	Faculties and Administrative Cost Recoveries
Steam Plant Billing & Allocation	Online Distance Learning Controls	Deferred Maintenance
HS & VCU Operations & Services Agreement	Student-athlete name, image & likeness; NCAA review	HR - Compensation and Classification
External Memorandums of Understanding	Budget Process - part 2	VCU Card Office
Various Fiscal & Administrative Reviews	Various Fiscal & Administrative Reviews	Various Fiscal & Administrative Reviews
Various Petty Cash Audits	Various Petty Cash Audits	Various Petty Cash Audits
IT Audits:	IT Audits:	IT Audits:
Third-Party Management/SOC Reports	Software Asset Inventory	Massey Cancer Center
Physical Access Management (CBORD)	Research Computing/High Performance Computing Security & Data Storage	Centers and Institutes Technical Review
COVID Data Security	Google G-Suite	Business Continuity Planning
Titanium System Review	School of Pharmacy	College of Humanities and Sciences
Maxient System Review	Axiom Systems Review	Pyramed/QS1 Systems Review
Data Integrity - Database Security and Controls Review	Millenium Systems Review	Sunapsis Systems Review
	Tableau Usage and Security	Web Services and Applications Security Review
Prior Year Carryover:		
Social Media		
Procurement & Payment		
IT - Identity Access Management System		

FY22 Proposed Audit Work Plan

Engagements	5,550
Annual Audits/Projects (President's discretionary account, police evidence room, follow-ups, risk assessment)	1,650
Other Projects (Management requests, special projects, investigations, workpaper system)	<u>2,500</u>
Total Hours	<u>9,700</u>

FY22 University Ethics and Compliance Initiatives

- Successful CECO Search and Onboarding
- Risk Assessment Survey
- ACE Hybrid Entity Update
- Education and Communications
- Formalized Guidelines for Compliance Partners
- Program Plan Update

Auditor of Public Accounts

VCU FY2021 Financial and Compliance Audit

Mike Reinholtz, Audit Director

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



Committee Dashboard Measures

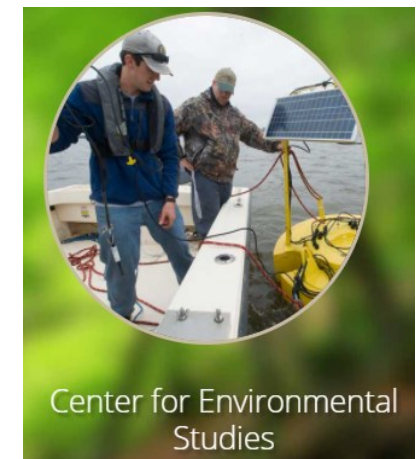
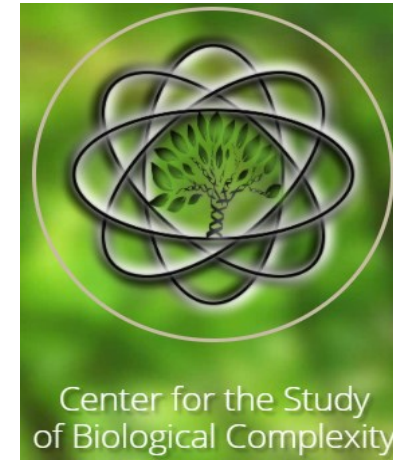
- Data Governance Program
- Data Security
- ERM Mitigation Plans
- Planned Audits
- Planned Special Projects
- Ethics and Compliance Program Oversight

Status of FY20 Follow-up Report Corrective Action

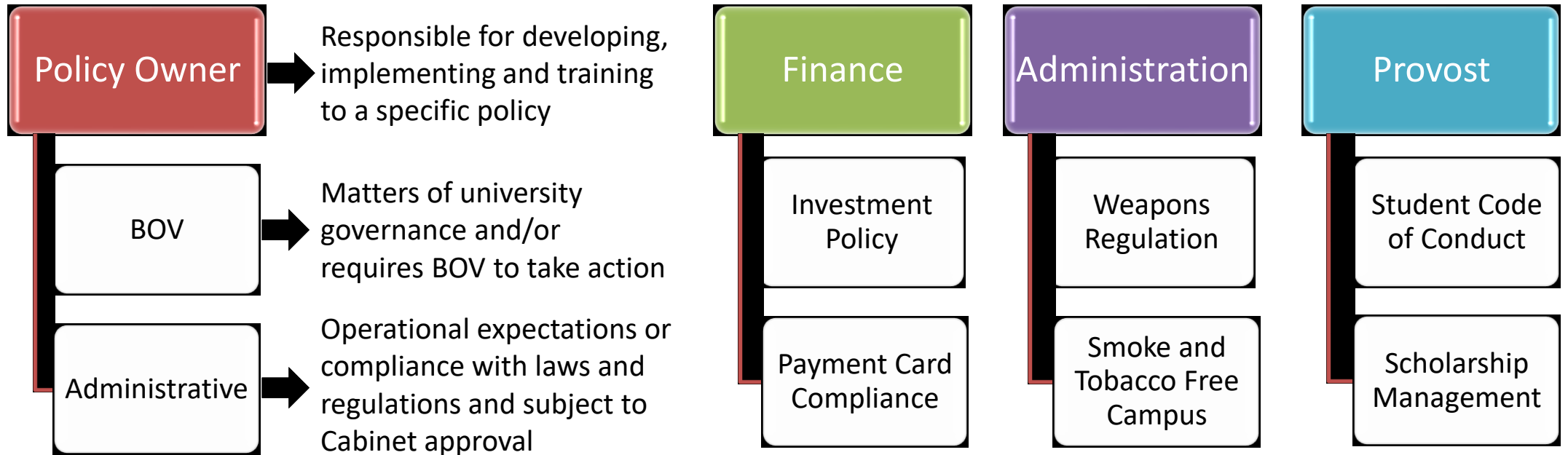
<u>Finding</u>	<u>Target Date as of 9/2020</u>	<u>Complete</u>	<u>Revised Due Date</u>
<i>School of the Arts in Qatar – Monthly Banner Recons</i> (Jul 2019)	Dec 2020	✓	
<i>Dentistry Physical Access Mgmt</i> (Dec 2018)	Jan 2021	-	July 2021
<i>CHS Records Management</i> (Dec 2018)	Jan 2021	-	Sept 2021
<i>CHS Banner Recon & Indexes</i> (Dec 2018)	Jan 2021	-	Sept 2021

VCU Life Sciences

- Audit scope:
 - Select financial and administrative processes
 - Access to labs housing Life Sciences IT applications
 - Management of internal and external partnerships
 - Allocation of faculty working hours
- Conclusion:
 - VCU Life Sciences' operations were adequate and managed effectively
 - No Board level findings



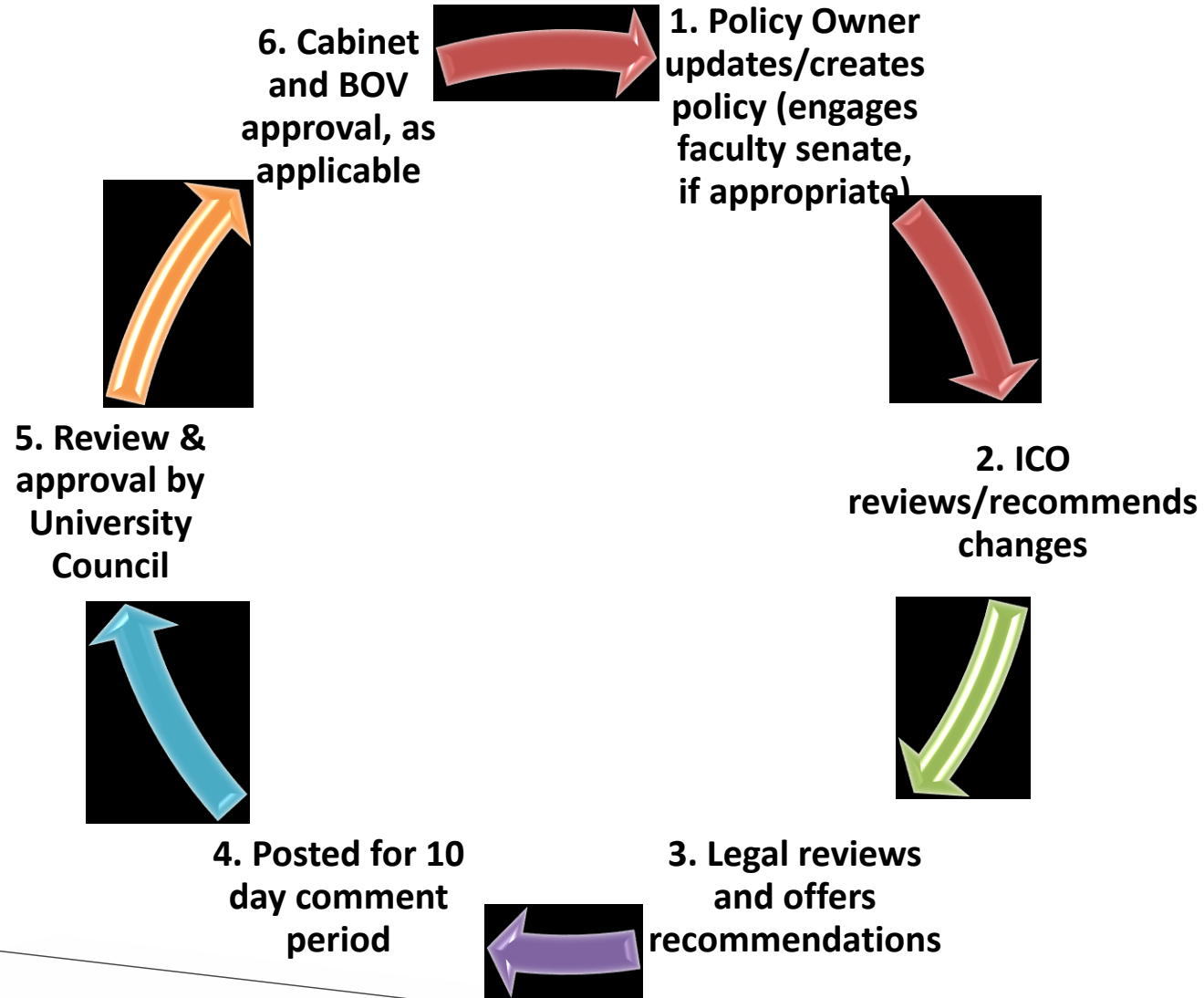
VCU Policy Overview



Integrity and Compliance Office (ICO) responsibilities:

- Maintain a public facing website of all policies (policy library)
- Remind policy owners when policies need updating (at least every 3 years)
- Aid with editing, readability, consistency, and conflicts with other policies
- Assist policy owners in navigating the policy update/creation/retirement processes

Policy Approval Process



Interim Policies

- Bypasses steps 4 and 5
- Interim status effective 12 months
- Must complete all steps to become permanent

Minor Revisions

- Does not alter scope or application
- e.g. department title changes
- Requires only steps 1 and 2

VCU Policy Overview

- The BOV Audit Committee receives a policy status report each September, through both the ICO Annual Report and a committee presentation
- VCU's Policy Library contains 166 university-wide policies:
 - 41 BOV
 - 125 Administrative
- Policy owners often operationalize university-wide policies through local policies and procedures, guidance documents, and offices practices

Policy Risk Ranking

Factor		Scoring
1	Is the policy a source driver for a compliance requirement, which Federal or State law/regulation or Accreditation requirement/standard?	Policy explicitly required – 2 pts No policy requirement but policy created to meet expectation – 1 pt
2	Is the policy past due for review and update?	If past due – 1 pt
3	Does the policy advance VCU's strategic plan?	Student Success – 1 pt National Prominence – 1 pt Urban & Regional Transformation – 1 pt Diversity Driving Excellence – 1 pt
4	Is it a BOV-level policy?	Yes – 1 pt
5	Total point value of 1-4	
6	Severity Level Multiplier: University activities addressed in the policy implicates a certain severity level:	
a	Topic concerns risk to personal safety or is critical to maintaining the university's core operations (conferring degrees and conducting research) (e.g., finance and budget; accreditation; etc.	X 4
b	Topic has high impact to university operations (e.g., research activities, student-related; involves fines, criminal and civil penalties; civil monetary penalties, etc.)	X 3
c	Topic has moderate impact on university operations (e.g. conflicts of interest/commitment; law enforcement; development activities; human resources; etc)	X 2
	Total Risk Score - Multiply total point value (5) with severity multiplier (6a-6c). Larger risk score = more risk and priority	

ERM Update

The ERM Steering Committee met in May 0f 2021 to discuss and approve changes to the ERM definitions and process of risk identification and review:

- Enhanced collaboration between Risk and Internal Audit
- Direct engagement between risk owners and Origami ERM system for risk scoring updates
- Improved tracking and monitoring of open risk mitigation/management initiatives
- Improved handoff of risk assessment profiles to Internal Audit

ERM Update

Timeline of Implementation:

- May - June: meet with risk owners to review new process
- June – Sept: meet with risk owners to review and/or update Risk Mitigation Plans and updates scores in Origami software
- Oct – Dec: ERM Steering Committee to discuss and approve risk mitigation plans