



**Board of Visitors
Audit, Integrity and Compliance Committee
12:30 p.m.
December 8, 2022
James Cabell Library
901 Park Avenue, Room 311, Richmond, Virginia**

Minutes

COMMITTEE MEMBERS PRESENT

Dr. Shantaram Talegoankar, Chair
Mr. Peter Farrell, Vice Chair
Dr. Tonya Parris-Wilkins
Dr. Dale Jones

COMMITTEE MEMBERS PRESENT VIRTUALLY

Ms. Alexis Swann
Mr. Andrew Florance

OTHER BOARD MEMBERS PRESENT

H. Benson Dendy, III, Rector
Ms. Carolina Espinal, Vice Rector
Mr. Keith Parker

COMMITTEE MEMBERS ABSENT

Mr. Anthony Bedell

OTHERS PRESENT

Ms. Karen Helderman
Dr. Michael Rao, President
Mr. Jacob A. Belue
Staff from VCU

CALL TO ORDER

Dr. Shantaram Talegoankar, Chair, called the meeting to order at 12:33 pm.

APPROVAL OF MINUTES

Dr. Talegoankar asked for a motion to approve the minutes of the September 15, 2022 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the September 15, 2022 Audit, Integrity, and Compliance Committee meeting were approved. A copy of the minutes can be found on the VCU website at the following webpage <http://www.president.vcu.edu/board/minutes.html>.

REPORTS AND RECOMMENDATIONS

Auditor of Public Accounts (APA) Reports for the FY Ending June 30, 2022

Mike Reinholtz, audit director with the Auditor of Public Accounts presented the university's financial statement audit results for the year ended June 30, 2022. The university is receiving an unmodified or clean opinion meaning the financial statements are presented fairly in accordance with the required accounting principles. Mr. Reinholtz will be emailing each board member the final audited financial statements and the report on internal control and compliance soon.

Audit, Integrity and Compliance Committee Dashboard Measures

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

Report from the Executive Director of Audit and Compliance Services

Karen Helderman shared the results of recent audits to include, Faculty Initiated Grade Changes, Banner User Access Controls, Third Party Financial Services Management, Government Relations Internal Controls and Compliance and Massey Cancer Center Internal Controls and Compliance.

Enterprise Risk Management Update

Finally, Tom Briggs, assistant vice-president of Safety and Risk Management provided an update on the university's enterprise risk management program and discussed the university's risk appetite.

CLOSED SESSION

On motion made and seconded, the Audit, Integrity, and Compliance Committee of the Virginia Commonwealth University Board of Visitors convened into closed session under the Virginia Freedom of Information Act in order to discuss pursuant to Section 2.2-3711 (A) (7) and (8), personnel matters, more specifically relating to an audit report addressing individual use of discretionary funds and travel; and under Section 2.2-3711 (A) (7) and (8) for matters requiring the provision of legal advice by counsel, including an update on potential and current litigation in state and federal courts and other legal matters including pending investigations; and pursuant to Section 2.2-3711 (A) (19) for discussion of specific cybersecurity vulnerabilities and briefing by staff concerning actions take to respond to such matters, specifically relating to financial and IT processes.

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	
Mr. Peter Farrell, Vice Chair	X	
Mr. H. Benson Dendy III, Rector	X	
Mr. Andrew Florance	X	
Ms. Alexis Swann	X	
Dr. Tonya Parris-Wilkins	X	
Dr. Dale Jones	X	
Ms. Carolina Espinal, Vice Rector	X	
Mr. Keith Parker	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

There being no further business Dr. Talegaonkar, Chair, adjourned the meeting at 1:35 p.m.

ATTACHMENT A



VCU

VCU Board of Visitors

Audit, Integrity and Compliance Committee

December 8, 2022

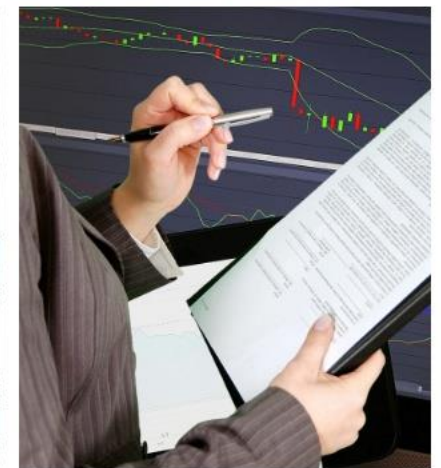
For Action: Approval of Minutes

- Audit, Integrity and Compliance Committee Meeting held on September 15, 2022
- Motion to approve the Minutes

Auditor of Public Accounts

Mike Reinholtz, Audit Director

- Annual Audit for Year Ended June 30, 2022
 - Independent Auditor's Report -Opinion on Financial Statements
 - Report on Internal Control and Compliance
 - Required Communications



Committee Dashboard Measures

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

Ethics and Compliance Program Update

November 11, 2022

Education Launched

December 8, 2022

Completion
Deadline

March 23, 2023

Completion Stats
Shared with
Committee



Internal Audit Quality Assessment

Internal Assessment

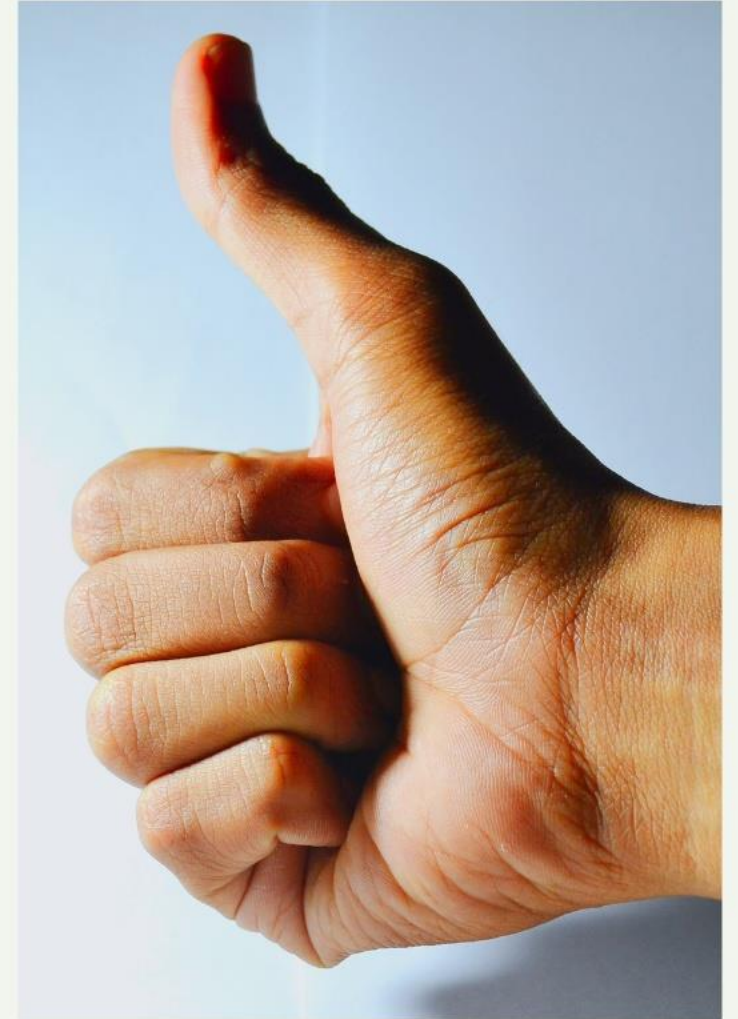
An ongoing assessment performed by an internal resource

Assessment Results

- Conforms with IIA Standards
- Staff are independent and comply with Code of Ethics

External Assessment

- Performed every 5 years by an external resource
- Last done in 2019

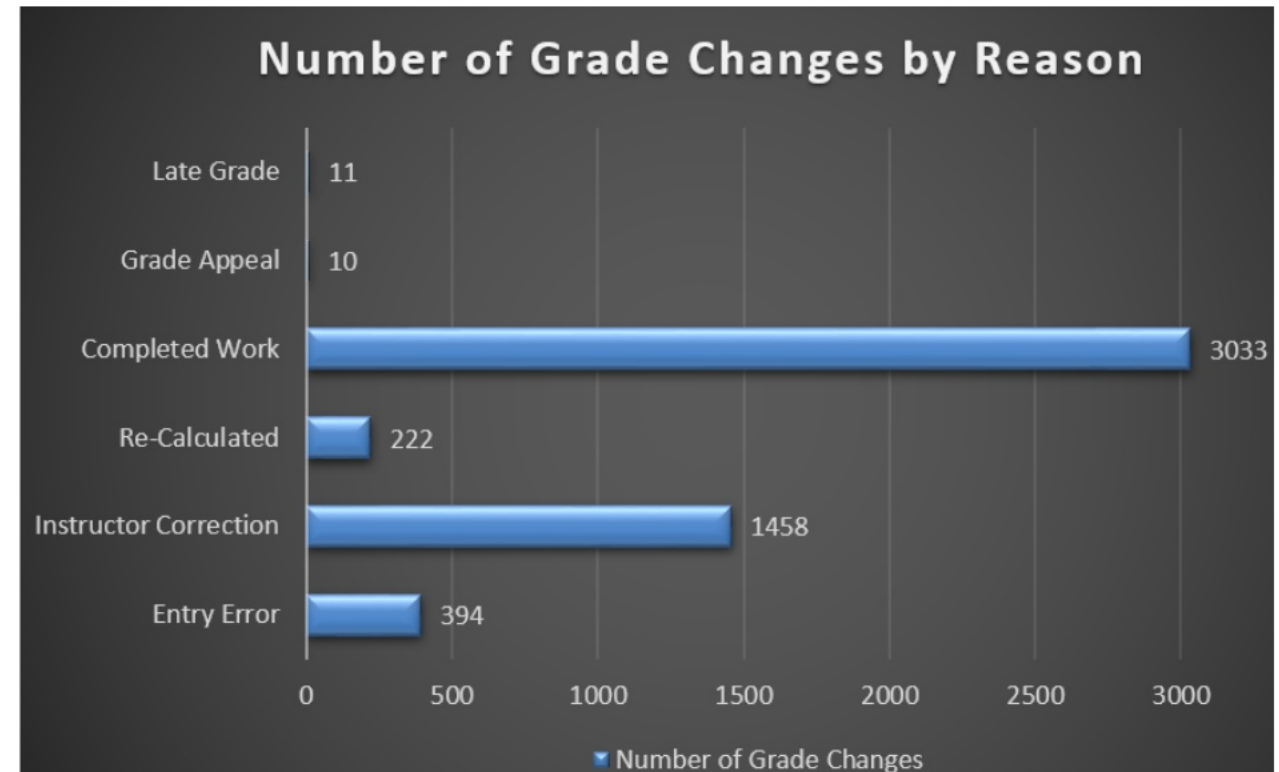


Faculty Initiated Change of Grade Process Audit

Conclusion: Grade change practices for academic years 2020-22 were sufficient & working as intended

No Board level findings

- There were approximately 548,500 graded courses during the audit period with 5,128 faculty initiated grade changes (1% of all grades)
- We reviewed a sample of faculty initiated grade changes for change reason, proper documentation and approving signatures



Banner Controls - AP and General Ledger Audit Report

Conclusion: Access controls and segregation of duties over Banner AP and general ledger were sufficient

No Board level findings

We used an automated tool to review the reasonableness of Banner user classes and permission levels, reviewed for appropriate segregation of duties between RealSource purchasing and Banner accounts payable, and ensured that terminated employees were removed timely



Third-Party Financial Services Management Audit Report

Conclusion: Monitoring & reviewing of third-party financial service providers' SOC reports were adequate

No Board level findings

- A Service Organization Control (SOC) report is an independent review performed by an external firm to verify a vendor's internal controls are operating effectively and best practices are followed.
- Obtaining and reviewing a vendor's SOC report is a best practice for ensuring controls that VCU expects from the vendor are in place and effective.
- The SOC review is also an opportunity for VCU to document the existence of its complementary end user controls



Internal Control and Compliance Reviews

Business areas reviewed: Government Relations and Massey Cancer Center

- Reviewed Selected Controls and Compliance Areas
Reconciliations, purchases, PCards, fixed asset management
- No Board Level Findings

ENTERPRISE RISK MANAGEMENT

Identifying risks

VCU identifies risks to achieving strategic goals through a formal enterprise risk management strategy

Risks are assessed and ranked by impact versus likelihood (high – medium – low)

Common practice throughout private sector

Roles

Risk owners: Authority and responsibility to manage risks

Steering committee: Identifies and tracks enterprise risks; makes recommendations to Cabinet

Cabinet: Reviews risks and establishes risk tolerance

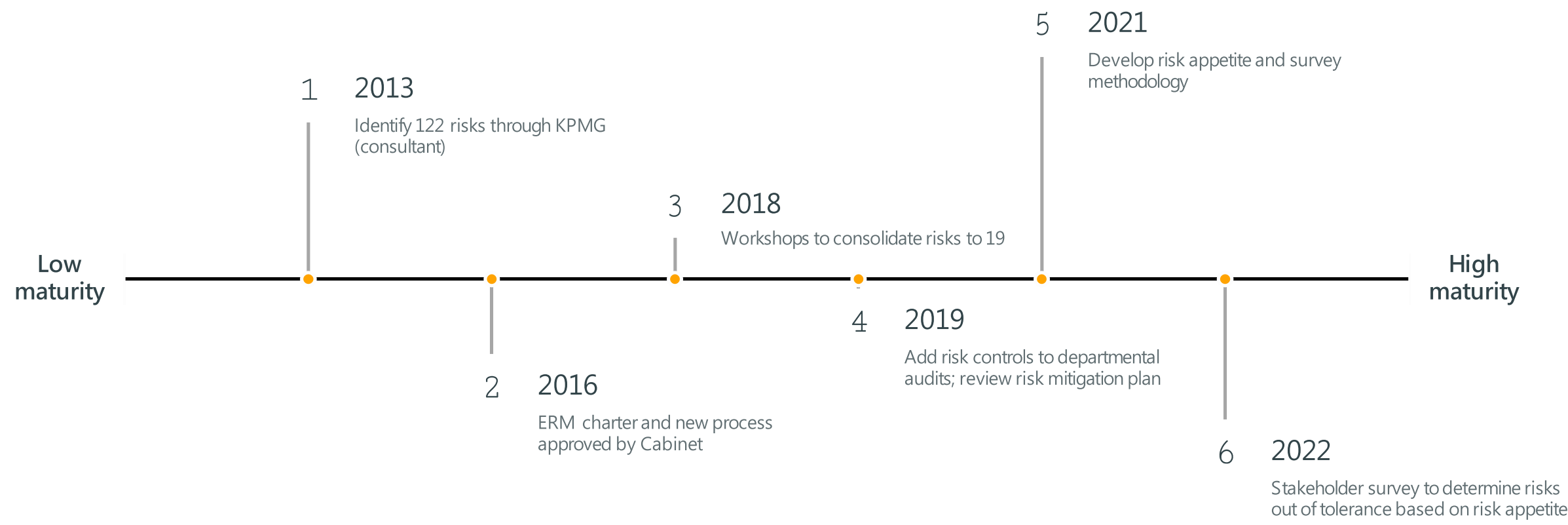
BOV: Reviews enterprise risks and audit findings of risk controls

Risk mitigation

VCU Safety & Risk Management works with risk owners to mitigate risks by:

1. Adding controls to reduce likelihood
2. Determining the budget impact for controls
3. Reviewing emerging risks with the Steering Committee

VCU'S ERM MATURITY TIMELINE





RISK MITIGATION FOCUS AREAS

Civil rights compliance

Clinical research administration processes

Emergency preparedness

Facilities & space

Improper activities and relationships due to foreign influence

Institutional compliance and ethics expertise and structure

IT system availability and information security

Police operations

Safety & risk management

Appendix: Enterprise risks identified for VCU

- Academic Funding
- Attract, Develop and Retain Faculty & Staff
- Civil Rights Compliance
- Clinical Research Administration Processes
- Data Analytics, IT Functionality & Shadow Systems
- Development & Alumni Support
- Emergency Preparedness
- Enrollment Management
- Facilities & Space
- Global Programs and International Issues
- Improper Activities & Relationships Due to Foreign Influence
- Institutional Compliance & Ethics Expertise and Structure
- IT System Availability & Information Security
- Police Operations
- Research Funding
- Safety & Risk Management
- Strategic Plan Change Management
- Student Affairs
- Transportation

Closed Session



VCU