



**Board of Visitors
Audit, Integrity and Compliance Committee
12:00 p.m.
December 7, 2023
James Cabell Library
901 Park Avenue, Room 303, Richmond, Virginia**

Minutes

COMMITTEE MEMBERS PRESENT

Mr. Peter Farrell, Chair Peter Farrell,
Ellen Fitzsimmons, Vice Chair
Mr. H. Benson Dendy, III
Dr. Dale Jones
Mr. Edward McCoy
Mr. Keith Parker
Mr. P2 Sandhu

OTHER BOARD MEMBERS PRESENT

Mr. Todd Haymore, Rector

OTHERS PRESENT

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

CALL TO ORDER

Mr. Peter Farrell, Chair, called the meeting to order at 12:05 pm.

APPROVAL OF MINUTES

Mr. Farrell asked for a motion to approve the minutes of the September 14, 2023 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the September 14, 2023 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, 2023

Mike Reinholtz, audit director with the Auditor of Public Accounts presented the university's financial statement audit results for the year ended June 30, 2023. The university is receiving an unmodified or clean opinion meaning the financial statements are presented fairly in accordance with the required accounting principles. The audit report will include two internal control and compliance recommendations related to the information technology area.

Results of External Quality Assurance Review

Mr. Richard Tarr shared the results of his External Quality Assurance Review over the VCU internal audit function. The Institute of Internal Auditor's standards require this external review every five years. Mr. Tarr reported that the unit received the highest possible rating of "generally conforms". He also recommended that the committee take a more active role in evaluating the Executive Director's performance and setting compensation. Chairman Farrell also requested a review of the Executive Director's title and whether a Vice President title is more appropriate.

Audit, Integrity and Compliance Committee Dashboard Measures

Karen Helderman presented the current status of the dashboard measures. Indicators for Data Security were yellow, all others were green.

Report from the Executive Director of Audit and Compliance Services

Karen Helderman shared the results of recent audits to include, Records Management and the President's Office Internal Control Compliance Review. A status update for Audit Findings was also presented.

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) (1) of the Virginia Freedom of Information Act for the discussion of personnel matters, more specifically relating to the performance evaluation of various staff members; 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. Mr. Farrell, 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>
Mr. Peter Farrell, Chair	X	
Ms. Ellen Fitzsimmons, Vice Chair	X	
Mr. H. Benson Dendy III, Rector	X	
Dr. Dale Jones	X	
Mr. Edward McCoy	X	
Mr. Keith Parker	X	
Mr. P2 Sandhu	X	
Mr. Todd Haymore, Rector	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

There being no further business Mr. Farrell, Chair, adjourned the meeting at 2:05 p.m.



ATTACHMENT A

Board of Visitors
Audit, Integrity and Compliance Committee

December 7, 2023



VCU

Action Items

- Audit, Integrity and Compliance Committee Meeting held on September 14, 2023
- Motion to approve the Minutes

Auditor of Public Account Report

- Annual Audit for Year Ended June 30, 2023

Independent Auditor's Report (Opinion) on the Financial Statements

Report on Internal Control and Compliance

Required Communications

Results of External Quality Assurance Review

Richard Tarr, CISA, CIA

- Required by International Standards for the Professional Practice of Internal Auditing and last performed in 2019
- Received a "*generally conforms*" opinion, which is the best possible evaluation
- Observed several operationalized best practices
- Noted a best practice opportunity for the Audit Committee to review the CAE's performance and compensation



Dashboard Measures

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

Records Management Audit Report

Audit Scope:

- Records Management Program and its policies and procedures
- Department record coordinators (DRC)
- Paper and electronic records
- RM-3 forms for records destruction

Conclusion:

Central Services had policies and procedures in place to manage the Records Management Program; however, they do not have an effective strategy implemented to strengthen compliance with the policies and procedures.

One Board level recommendation to develop strategy that encourages Records Management policy compliance

Management concurs and will:

- *Require training for all DRCs (September 2023)*
- *Add goal to DRC performance evaluation template (December 2023)*
- *Collect and report stats on Records Management dashboard (August 2024)*

President's Office Internal Control Compliance Review

Reviewed Selected Controls and Compliance Areas

e.g. Banner certifications, purchases, purchase cards, ARMICS, records management

No Board Level Findings

Audit Findings Status Update

VP's attested that 40 of 41 audit recommendations outstanding are on target to meet their due date. Full schedule provided in handouts.

Finding	Due Date	Revised Due Date	VP on Target
Establish a University Building Access Policy	Sep 2023	April 2024	N

N – Target in Jeopardy or Already Missed

VCU Enterprise Risk Management evolution





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CLOSED SESSION