VCU
Board of Visitors

VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS
AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE
May 9, 2024
James Branch Cabell Library
901 Park Avenue – Room 303
Richmond, Virginia

DRAFT MINUTES

BOARD MEMBERS PRESENT
Mr. Peter Farrell, Chair
Ms. Ellen Fitzsimmons, Vice Chair
Mr. H. Benson Dendy III
Dr. Dale Jones
Mr. Edward McCoy
Mr. Keith Parker
Mr. P2 Sandhu
Mr. Todd Haymore, Rector

OTHERS PRESENT
Dr. Michael Rao, President
Mr. David Litton, *Interim Executive Director, University Audit and Compliance Services*
Mr. Jacob A. Belue, *Associate University Counsel*
Staff from VCU

CALL TO ORDER
Mr. Peter Farrell, Chair, called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES
Mr. Farrell asked for a motion to approve the minutes of the March 21, 2024 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the March 21, 2024 Audit, Integrity, and Compliance Committee meeting were approved. A copy of the minutes can be found on the VCU website at the following webpage https://bov.vcu.edu/meetings/minutes/.

APPROVAL OF ACTION ITEMS

The committee reviewed and discussed four action items, the review and approval of the Audit, Integrity and Compliance Committee Charter and Meeting Planner, the Audit, Integrity and Compliance Department Charter, Internal Audit's FY2025 Work Plan and FY2025 Ethics and Compliance Program Initiatives. On a motion duly made and seconded the action items were unanimously approved to recommend to the full board.

CLOSED SESSION

Mr. Farrell moved that the Audit, Integrity, and Compliance Committee of the Virginia Commonwealth University Board of Visitors convene a closed session under Section 2.2-3711 (A)(19), for discussion of information where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system or software program, more specifically relating to discussion of an audit report concerning an information technology system, Section 2.2-3711 (A)(8), for discussion of specific legal matters requiring the provision of legal advice by counsel employed or retained by a public body, more specifically relating to discussion of legal advice regarding a consultant's report concerning Clery Act compliance and an audit report concerning academic recordkeeping; Section 2.2-3711 (A)(7), for updates on potential and current litigation in state and federal courts where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body, more specifically relating to an update from counsel pertaining to actual or probable litigation. The motion was seconded and was approved unanimously.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Peter 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.

Vote	**Ayes**	**Nays**
Mr. Peter Farrell, Chair	X	
Ms. Ellen Fitzsimmons, Vice Chair	X	
Mr. H. Benson Dendy III	X	
Dr. Dale Jones	X	
Mr. Edward McCoy	X	
Mr. Keith Parker	X	
Mr. P2 Sandhu	X	
Mr. Todd Haymore, Rector	X	

All members in attendance responding affirmatively, the resolution of certification was unanimously adopted.

FOR INFORMATION

Auditor of Public Accounts (APA) Entrance Conference for FY2024 Audit
Amy Stokes, APA Audit Director, discussed the planning, timing and scope for the FY2024 annual financial audit. Ms. Stokes also discussed auditor and management responsibilities and audit report communications.

Audit, Integrity and Compliance Committee Dashboard Measures
David Litton presented the current status of the dashboard measures. Indicators for Data Security and Institutional Compliance Program were yellow and other indicators were green.

Report from the Interim Executive Director of Audit and Compliance Services
David Litton briefed the committee on the results of two internal audit reports Banner HR Ancillary Systems Transfers and Campus Card Services none of which had board level findings. Suzanne Milton, Chief Ethics and Compliance Officer also provided an update on Compliance activities.

Enterprise Risk Management (ERM) Update
Michael Cimis, Assistant VP for Safety and Risk Management, provided an update on the Enterprise Risk Management program.

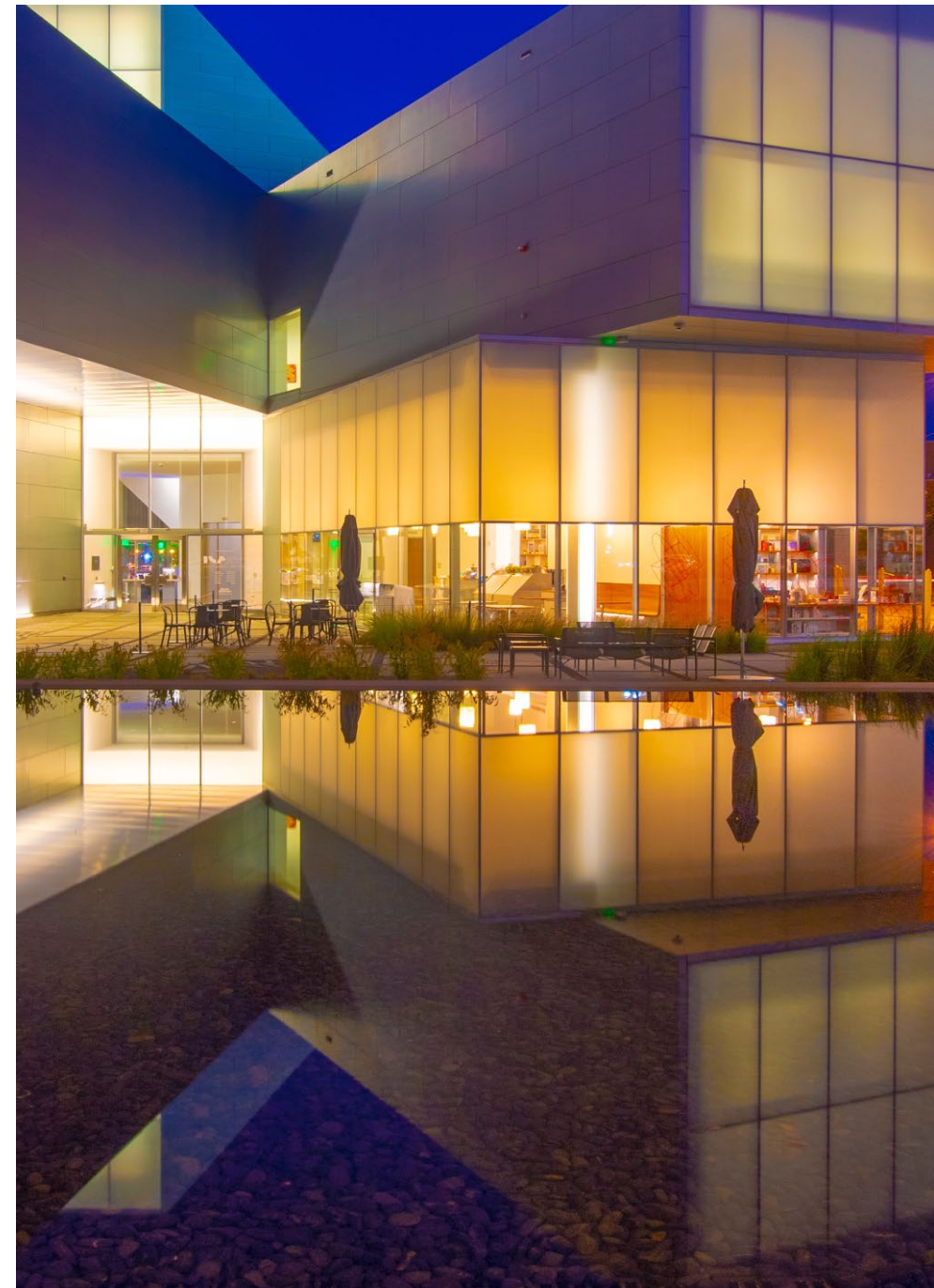A copy of the power point is attached hereto as *Attachment A* and is made a part hereof.

ADJOURNMENT

There being no further business Mr. Farrell, Chair, adjourned the meeting at 10:18 a.m.

VCU Board of Visitors

Audit, Integrity and Compliance Committee
May 9, 2024

For Action: Approval of Minutes

- Audit, Integrity and Compliance Committee Meeting held on March 21, 2024

For Action:

- Audit, Integrity and Compliance Committee Charter and Meeting Planner

- Audit, Integrity and Compliance Department Charter

- Proposed FY2025 Internal Audit Workplan

- Proposed FY2025 Ethics and Compliance Program Initiatives

- Motion to approve the Minutes, Charters and Meeting Planner and Proposed FY2025 Ethics and Compliance Program Initiatives

Risk Assessment Process

- FY25 - FY27 Audit work plan

- Work plan reviewed and revised annually to reflect newly identified risks

- Includes consultation with ethics and compliance

- Board approves audit plan each May for next fiscal year

Interviews

Turnover or Changes

Financial & Quantitative

Time Since Last Audit

Industry Trends

Risk Assessment

Strategic Initiatives

Risk-Based Ranking

Audit Project 1

Audit Project 2

Audit Project 3

Audit Project 4

Audit Project 5

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Proposed Three Year Audit Work Plan

FY25	FY26	FY27
Banner Student Ancillary Systems Integrity	School of Medicine (Liver Institute)	School of Dentistry
Enrollment Projection Management	Development and Alumni Relations	Massey Cancer Center
VP Research – Human Subject Research	Facilities Management - Renovations	Athletics
Treasury Services	Safety and Risk Management	College of Engineering
Student Affairs (area TBD)	Procurement - Travel	Online Learning Integrity
Business Services	Payroll	Human Resources
Data Verification – US News Reporting	College of Humanities and Sciences	Facilities Operations
Real Estate Services – ICCR*	Equity and Access Services	Controller's Office
School of Education – ICCR	Public Safety and Security - ICCR	Technology Services - ICCR
daVinci Center - ICCR	School of Population Health - ICCR	VP for Health Sciences - ICCR
Institute of Contemporary Art - ICCR	Honors College - ICCR	VP Enterprise Mktg and Comm - ICCR
Prior Year Carryover:		
Facilities Management – Deferred Maintenance	*ICCR=Internal Control Compliance Review	
Human Resources – Compensation & Classification		

Proposed Three Year Audit Work Plan

FY25	FY26	FY27
IT Audits:	**IT Audits:**	**IT Audits:**
Vulnerability Management Review	Research Applications and Data Storage	Account Provisioning & Deprovisioning
Police Department IT Security Review	Horizon VDI	Business Continuity & Disaster Recovery Planning
Decentralized Application Review	Artificial Intelligence Governance Review	Development and Alumni Relations IT Review
Modo Campus – IT Control Review	Jamf Pro – IT Control Review	Tableau – IT Control Review
Academic Advising Tools – IT Control Review	Faculty Information System (SoM) – IT Control Review	Slate CRM – IT Control Review

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FY 2025 Ethics and Compliance Work Plan Highlights

Program Structure

Leverage Compliance Steering Committee to:

+complete & continually update documentation of university ethics & compliance programs

+continue to drive improvement and prevention impact of compliance training & communication, monitoring/auditing & risk assessment

+develop ethics and compliance dashboard/ scorecard of key metrics

Culture

- Launch integrity survey hosted externally

- Consult with units leaders on methods to improve scores

- Continue to work with HR to ensure accountability for integrity is included in performance evaluation

Policies

- Continue policy update drive

- Deliver new Code of Conduct and revised relevant policies by end of FY 2025

- Continue to improve & leverage Conflicts of Interest electronic disclosure system

FY 2025 Ethics and Compliance Work Plan Highlights

Investigations/Accountability

- Continue to deliver investigative training with guidelines, best practices
- Develop practical tool for root cause analysis of substantiated matters
- Continue tracking tool to prevent retaliation, leverage data collected to enhance prevention

Training and Communications

- Deliver revamped and streamlined Audit and Compliance Services website April 2024
- Continue to deliver engaging, effective training & awareness tools including microlearning, video scenarios & email blast to targets
- Continue support for compliance partners in delivering key or emerging compliance messages

Risk Assessment

- Ensure compliance partners document, mitigate and escalate ethics and compliance risks; provide summary ethics and compliance risk assessment for VCU
- Leverage EC dashboard/scorecard to inform emerging risks, mitigation
- Mitigate Clery compliance risks and ensure best practice program going forward

CLOSED SESSION

Auditor of Public Accounts

Melinda Crawford, Audit Manager

- Timing, objectives, scope

- Responsibilities during the audit process

- Other elements of the audit process

Dashboard Measures

- 🟢 Data Governance Program

- 🟡 Data Security

- 🟢 ERM Mitigation Plans

- 🟢 Planned Audits

- 🟢 Planned Special Projects

- 🟡 Ethics and Compliance Program Oversight

Banner HR Ancillary Systems Transfers

Conclusion: Data transfer policies and procedures for select Banner HR Ancillary systems were adequate

No Findings

Audit Scope:

- Data collected during the period of July 1, 2023 – October 16, 2023
- Data integrity between select HR ancillary systems and Banner HR module
- Appropriate user access and adequate disaster recovery plans

Campus Card Services

Conclusion: Campus Card Services administered the card life cycle securely and in compliance with Campus Card Services policies.

No Board Level Findings

Audit Scope:

- Transactions between fiscal year 2023 through January of fiscal year 2024
- Process of activating and deactivating student, employee and affiliated identification cards
- Collection of fees for replacement cards

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Culture: Integrity Survey Launched April 9, 2024

➢ Hosted externally by Ethics and Compliance Initiative (ECI) to ensure maximum comfort and confidentiality for responders

➢ 15 questions, all but two benchmarked to larger U.S. data set and/or smaller data set of other colleges and universities, designed to get at key perceptions of culture and integrity

➢ ICO will report this data to business units and departments, and actively partner with them to understand their results and make progress in sustaining a culture of integrity and openness.

➢ Participation rate = will be shared at Committee meeting

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Training Update

➢ Ethics and Compliance training launched as part of the university-wide required spring training release (14-minute video scenario and reflective exercise).

   ➢ Seven follow-up videos launching featuring characters to continue to drive learning

➢ Launched the new Audit & Compliance Services website, making it easier for employees and managers to find what they need for audit and compliance training and materials.

➢ Psychological Safety workshop still in demand

➢ Working on several eLearning modules for the fall training release, including topics driven by current trends/areas of potential risk

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Enterprise Risk Management

Mike Cimis
Interim Assistant Vice President
VCU Safety and Risk Management

VCU ENTERPRISE RISK MANAGEMENT EVOLUTION

Operational governance

2024: Connect ERM to VCU's goals and decision-making

Risk survey

2022: Stakeholders surveyed to identify risks out of tolerance based on risk appetite

Risk appetite

2021: Risk appetite and survey methodology developed

Risk controls

2019: Risk controls added to departmental audits; risk mitigation plans are reviewed

Risk consolidation

2018: Workshops conducted to consolidate 122 risks to 19

Enterprise Risk Management charter

2016: VCU's ERM charter and process approved by the President's Cabinet

Risk identification

2013: VCU identified 122 risks through KPMG (consultant)

RISK OVERVIEW

Progress since last year

- Risk identification
- Implementation of mitigation plans
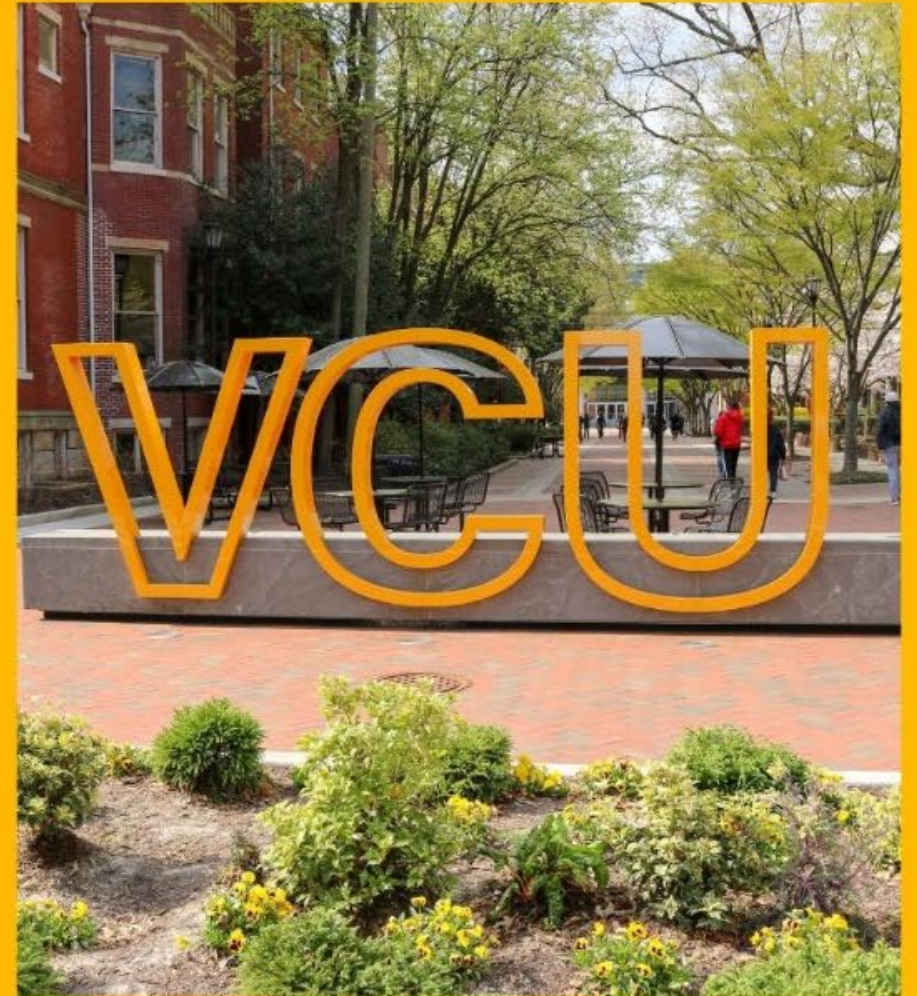- Risk reduction
- Continuous ERM process improvement

Current areas of focus

- Civil rights compliance
- Institutional compliance and ethics expertise/structure
- Police (health, safety and security)
- Clinical research administration processes
- Emergency preparedness
- Facilities and space
- Safety and risk management

ERM ALIGNMENT WITH QUEST 2028

Contributing to strategic decision making and capturing emerging risks

1   Enable VCU to achieve its strategic goals

2   Inform strategic decision making

3   Support communication and collaboration with cabinet, board, risk owners and impacted operational owners

QUESTIONS OR FEEDBACK?