



Board of Visitors

AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE

November 20, 2025

The Honorable Benjamin Lambert III Board Room
1213 East Clay Street
Richmond, Virginia

MINUTES

DRAFT

COMMITTEE MEMBERS PRESENT

Mr. Peter Farrell, Chair
Dr. Siobhan Dunnavant
Dr. Dale Jones
Ms. Lori Jennings
Dr. Kenneth Lipstock
Mr. C.J. Sailor

OTHER BOARD MEMBERS PRESENT

Ms. Ellen Fitzsimmons, Rector, *virtual*
Mr. Steven DeLuca, Vice Rector
Mr. Randolph Reynolds, Jr.
Ms. Lara Tyler Chambers

OTHERS PRESENT

Dr. Michael Rao, President
Ms. Suzanne H. Milton, *Chief Audit and Compliance Executive*
Ms. Stephanie Hamlett, *University Counsel*
Mr. Jacob A. Belue, *Associate Counsel*
Staff from VCU

CALL TO ORDER

Mr. Peter Farrell, Chair, called the meeting to order at 12:55 pm.

ACTION ITEMS

Mr. Farrell asked for a motion to approve the minutes of the September 11, 2025 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the September 11, 2025 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/>.

REPORTS AND RECOMMENDATIONS

Auditor of Public Accounts (APA) Reports for the FY Ending June 30, 2025

Ms. Amy Stokes, audit director with the Auditor of Public Accounts presented an update on the university's financial statement audit for the year ended June 30, 2025. Ms. Stokes will present the final results at the February 2026 meeting.

Audit, Integrity and Compliance Committee Dashboard Measures

Ms. Suzanne Milton presented the current status of the dashboard measures. Indicators for Data Security and Planned Audits were yellow, all others were green.

Report from the Executive Director of Audit and Compliance Services

Ms. Suzanne Milton shared the results of a recent audit of Business Services – Dining. She also provided a midyear FY26 update of the Integrity and Compliance Office, including staffing updates and programmatic highlights. An update was also provided for the Nondiscrimination Review.

Enterprise Risk Management Update

Mr. Tom Briggs, chief risk officer, provided an update on the university's enterprise risk management program and discussed the peer review findings and recommendations from the Deloitte Assessment. Plans for the calendar year 2026 were also presented.

A copy of these presentations is attached and made a part hereof.

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 the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body, more specifically the audit of the expense reporting of one individual and for the evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals, more specifically relating to an audit involving the performance of a department and the performance of a department and the performance of specific individuals within that department; and under Sections 2.2-3711 (A)(7) and (8) for the discussion of actual or probable litigation and 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 audit reports involving data security and certain 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.

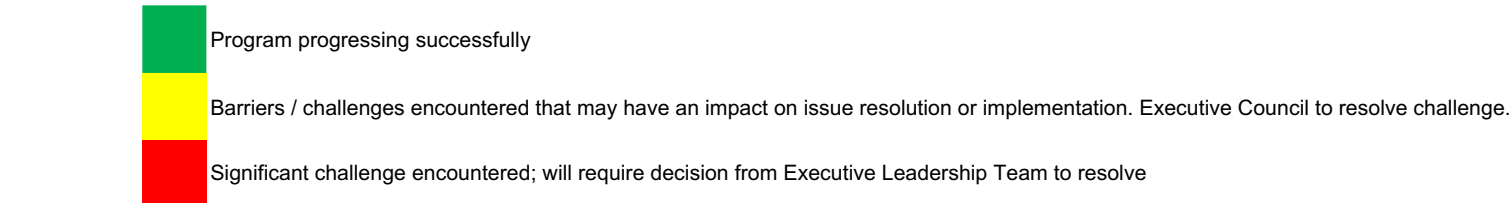
<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Peter Farrell, Chair	X	
Dr. Siobhan Dunnavant	X	
Dr. Dale Jones	X	
Dr. Kenneth Lipstock	X	
Mr. C.J. Sailor	X	
Ms. Ellen Fitzsimmons, Rector	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

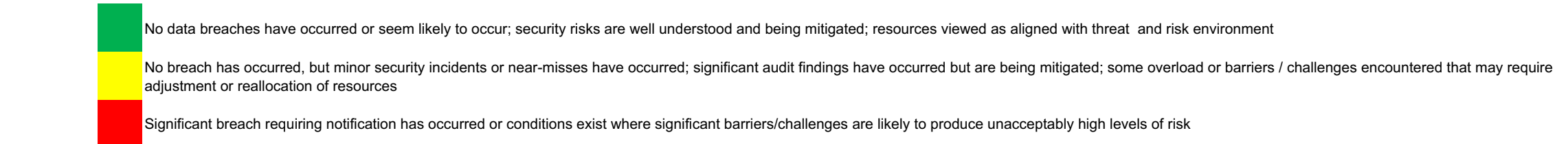
There being no further business Mr. Farrell, Chair, adjourned the meeting at 2:24 p.m.

DATA GOVERNANCE PROGRAM (development of program)



VCU is advancing through the initial phase of the HelioCampus data warehouse. With the technology implementation complete, the team has begun discovery meetings with data stewards to establish the foundation for student data validation and prepare for the next phase of integrations. The Data and Information Management Council (DIMC) will be formally relaunched by the Provost and Meredith Weiss to guide enterprise data governance efforts.

DATA SECURITY (number of security incidents / breaches)



No significant information security incidents have occurred since our last meeting, but we continue to observe an elevated threat level. A global cyber threat targeting the type of Virtual Private Network (VPN) VCU uses was launched in early September. VCU proactively placed the VPN behind a secondary proxy to limit exposure to the internet and safeguard the environment. As a next step in advancing the zero-trust security architecture, VCU will remove the legacy VPN in favor of a Zero-trust security access platform in the summer of 2026.

Other areas of effort include:

Penetration Testing: High-sensitivity and high-impact web applications (including REDCap, Fischer, and Tableau) have undergone a penetration test this period, and identified issues will be reviewed and addressed by the end of this calendar year.

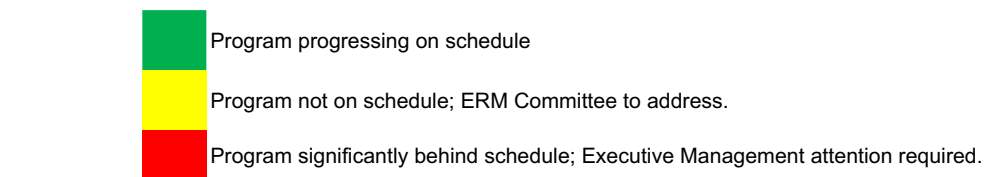
Vulnerability Management Program Overhaul: Engaging with an external service provider to review vulnerability management strategy and methods to improve the identification and handling of vulnerabilities while minimizing false-positives.

Data Security Posture Management: Started reviewing data classification and leveraging the current Zero Trust Network Access (ZTNA) platform for enhanced review of how sensitive data is being handled. Upon completion of the monitoring session, we will develop an enhanced strategy to manage data flow from university devices.

Emerging Risks: Continued discussion on emerging federal cybersecurity compliance requirements associated with research and academic areas, and completed rule mappings. Continuing the development of AI Governance program with the advancement in AI governance policy and increased visibility in how Generative AI tools are being used in VCU.

ERM PROGRAM

Status of ERM mitigation plans

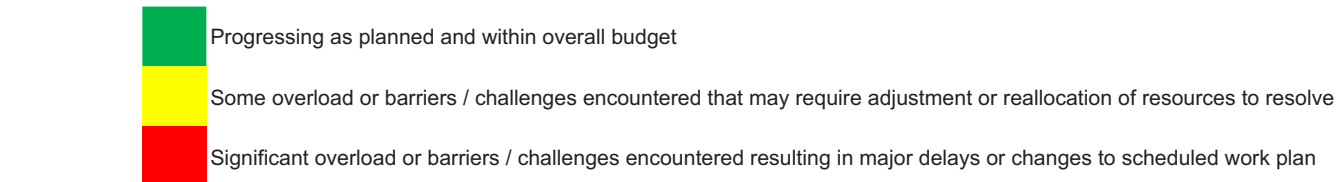


The program review by Deloitte found that VCU's ERM program is consistent with the midpoint in terms of maturity for Higher Education.

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)

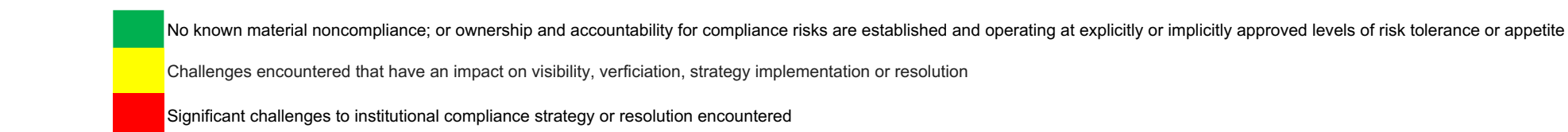


Planned Audits: Yellow pending catch up of carryover from FY25 due to FY25 special projects and staff turnover, and expanded scope audits.

INSTITUTIONAL COMPLIANCE PROGRAM

Compliance requirements compared to known material violations

Compliance Program Oversight & Effectiveness



Notes: Compliance remains yellow pending the completion of Clery process remediation in Fall, 2025.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Business Services - Dining

Final Report

October 14, 2025

Audit and Compliance Services

Overview

VCU Business Services encompasses the areas of: Dining Services, Retail Stores and Mail Services. Much of the work of Business Services includes contract management for the vendors selected for their expertise in a particular business area. Dining Services contracts include Aramark, Canteen and Pepsi. The stated mission of VCU Business Services is to support “VCU’s Quest 2028: Together We Transform mission, vision and core values through management of business enterprises by providing products and services in a socially responsible and ethical manner to the VCU community.” Dining Services encompasses the vast majority of the financial impact within Business Services and for this reason is the area of focus for this audit.

VCU Business Services oversees more than 20 dining locations across both the Monroe Park and VCU Health Campuses. Business Services includes 13 full-time staff as well as a few hourly staff and interns. Each of the contracted vendors also has a local manager who are included by title in the organizational chart. Each of the three Dining Services contracts report directly to the Director of Business Services.

Purpose

The objective of the audit was to determine whether documented procedures were in place and followed to ensure select components of the Dining Services program were administered adequately.

Scope and Audit Procedures

Our scope of Business Services - Dining encompassed fiscal year 2025 and focused on safety protocols, fixed assets and contracts.

Audit procedures included:

- Interviewing key personnel in VCU Business Services, and especially Dining Services
- Analyzing report of fixed assets and testing a selection for accuracy
- Evaluating a selection of items from internal database of equipment to test for maintenance documentation
- Evaluating customer service ratings over time (Spring 2024 compared to Fall 2024)
- Performing a walkthrough of dining plan reconciliation
- Examining documentation of fire safety inspections
- Examining a selection of First Aid stations
- Reviewing temperature logs, employee handbooks, Dining Services contracts and contract amendments, disaster recovery and business continuity plans

Summary of Major Business Issue and Management's Action Plan

Improve Processes to Remove Fixed Assets from VCU Inventory Timely

VCU Fixed Asset policy requires that custodians record any disposals or transfers of fixed assets in the Banner fixed asset module within five days of disposal or transfer.

The department did not appropriately notify VCU Fixed Assets of 66 items that had been disposed until April 2025. Of these 66 items, ten had been disposed in FY25, 34 in FY24, 18 in FY23 and one in FY22. There were three items for which the documentation could not be located. In addition, in each of the years noted above, the fixed asset custodian and fiscal administrator signed off on the Certification of Physical Inventory of Fixed Assets form certifying that the fixed asset listing was accurate.

This resulted in an overstatement of the university's fixed assets by an estimated \$243,000, which was the remaining book value of the 66 items that should have been removed. These 66 items constitute 17% of the fixed assets on the VCU inventory for Dining Services.

Auditor notes that when this was brought to the attention of the Dining Operations Manager, she began working to resolve the immediate issue as well as make process changes to prevent the issue from occurring in the future. As of August 2025, the VCU Fixed Asset Accounting Manager has removed all 66 items from VCU's inventory.

We recommend Dining Services update their internal process to ensure timely removal of fixed assets from the VCU fixed asset inventory, as it is a component of VCU's financial statements, and to ensure the accuracy of the annual Certification of Fixed Assets Physical Inventory form.

Management's Action Plan: Concur.

Business Services has already taken several corrective actions. As of August 25, 2025, the VCU Fixed Asset list for Business Services has been updated. A new fixed asset custodian was appointed and has completed training. Ongoing oversight has been implemented through a newly created position in Campus Enterprises, the Director of Administration, who will also ensure, during annual reviews, that all departments within Campus Enterprises meet the requirements of university fixed asset policies and procedures. HR has also been contacted and asked to review the situation and assist in determining if HR corrective action is warranted.

Additional Actions Underway

Fixed Asset Procedure Update

Update written fixed asset procedures and supporting surplus documentation to ensure consistency and compliance with university policy.

Responsibility: Dining Operations and Analytics Manager

Completion Date: November 2025

New ARMICS Process

Develop and implement a new ARMICS process that covers all fixed asset policies and requirements.

Responsibility: Director of Finance, Director of Administration - Campus Enterprises

Completion Date: January 2026

Fixed Asset Certification

Business Services will conduct the Fixed Asset certification to confirm that the fixed asset list remains accurate and fully up to date.

Responsibility: Assistant Manager of Operations & Analytics, Director of Finance

Completion Date: April 2026

Overall Plan Responsibility: Director of Business Services

Conclusion

In our opinion, based on the results of our audit, documented procedures were in place and followed to ensure select components of the Dining Services program were administered adequately, except for the timely removal of disposed fixed assets from the VCU inventory and accurate reporting on the Certification of Fixed Assets Physical Inventory form.

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:

Stephen Barr	Director, Business Services
Jeff Kidd	Associate Vice President for Campus Enterprises and Chief Real Estate Officer
David Allen	Associate Vice President for Finance and Deputy Chief Financial Officer
Meredith Weiss	Senior Vice President for Finance and Administration and Chief Financial Officer

Our audit was conducted in conformance with the *Global Internal Auditing Standards* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.



Chief Audit and Compliance Executive
Audit and Compliance Services

Audit and Management Services
Status of Fiscal Year 2026 Audit Work Plan
October 31, 2025

Area	Status
Carryovers	
Financial & Operational Audits:	
Business Services	Complete
Student Affairs – Office of Student Conduct and Academic Integrity	Complete
Enrollment Management	In Progress
Data Integrity – US News Rankings	In Progress
IT Audits:	
Decentralized Server Review	Management Review
VCU Police IT Review	In Progress
Current Year Risk-based Audits and Assessments	
Financial & Operational Audits:	
Equity and Access Services	In Progress
Procurement – Travel	In Progress
Public Safety and Security – ICCR	In Progress
School of Population Health – ICCR	In Progress
Development and Alumni Relations	Not Started
Occupational Health and Safety	Not Started
OVPRI – Human Research Protection Program	Not Started
Honors College – ICCR	Not Started
IT Audits:	
Faculty Information Systems (SoM) – IT Control Review	In Progress
JAMF Pro – IT Control Review	Not Started
Research Applications and Data Storage	Not Started
Horizon Virtual Desktop Infrastructure	Not Started
Artificial Intelligence Governance Review	Not Started
Annual Engagements and Activities	
VCU Police Department – Unannounced Property Inspection – FY26 Part 1	Not Started
President’s FY 25 Discretionary Fund and Travel Activity Review	Complete

Audit and Management Services
Status of Fiscal Year 2026 Audit Work Plan
October 31, 2025

Audit Risk Assessment for FY 2027 Plan	Not Started
Semi-Annual Review of Audit Recommendations Outstanding	In Progress
VCU Police Department – Unannounced Property Inspection – FY26 Part 2	Not Started

Special Project		Status
<u>Continuing Projects</u>		
State Employees Fraud, Waste, and Abuse Hotline		In Progress – 0; Closed -
Special Projects		In Progress – ; Closed -

VCU BOARD OF VISITORS

Audit, Integrity and Compliance Committee

November 20, 2025



For Action:

- Audit, Integrity and Compliance Committee Meeting held on September 11, 2025







Auditor of Public Accounts

Annual Audit for Year Ended June 30, 2025

- Independent Auditor's Report (opinion) on the 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

Nondiscrimination Review Update

Integrity and Compliance Office: Midyear FY 26 Highlights

Staffing Update

- New Training and Communications Program Manager (Replacement)
- New Communications Specialist (New Position)
- New Clery Compliance Specialist (New Position)

Programmatic Highlights

- New Case Management and Conflict of Interest Reporting Systems
 - More intuitive for users
 - Better analytics
 - Better value in terms of cost and capability
 - New Code of Conduct
 - Much more concise and user friendly than previous version
 - Focuses on three core themes: Conduct At VCU, With VCU, and Beyond VCU
 - Values and behavioral focus versus rules, abstract vision focus
 - New Annual Training Focused on New Code of Conduct, other topics of current interest (3Ps Analysis, of Speech, etc)
- Fre

BOV Resolution Update

VCU Board of Visitors Meeting
November 20, 2025

Beverly J. Warren, Ed.D., Ph.D.
Interim Provost and Senior Vice President for Academic Affairs

William C. Nelson, Jr., MBA
Senior Vice Provost for Academic Administration and Operations



WE ARE THE UNCOMMON.

Risk Profiles: Assessment Factors

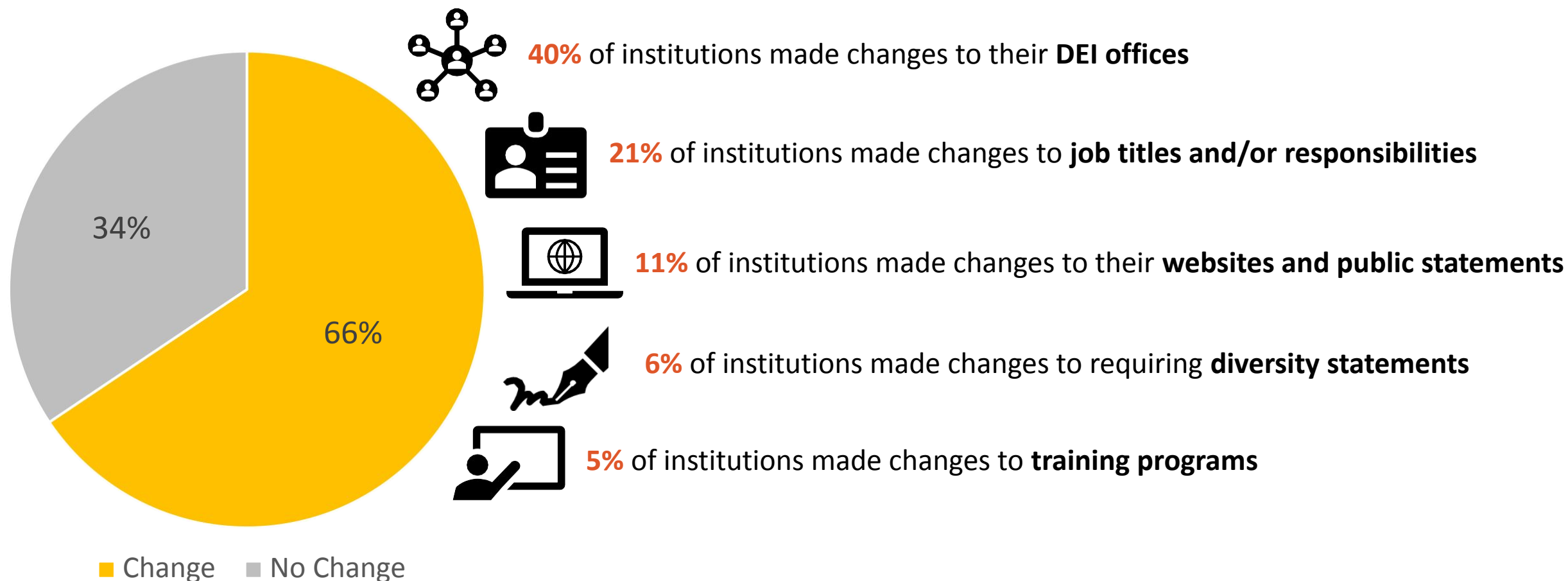
Reduces risk

- Race-neutral criteria and implementation
- Open access regardless of background
- Individual rather than group-based approaches
- Voluntary participation in cultural programming
- Focus on need, merit, or geography rather than race
- Historical record of non-discriminatory practices
- Ties to academic speech or curriculum

Increases risk

- Explicit racial classifications or targeting
- Programs that treat races differently
- Use of racial proxies or “workarounds”
- Mandatory participation with racial components
- Historical pattern of race-conscious policies
- Segregation or exclusion, even if “voluntary”
- Program names with protected characteristics in the name
- Program names with “DEI” in the name
- Programs that confer benefits beyond mere camaraderie

National landscape



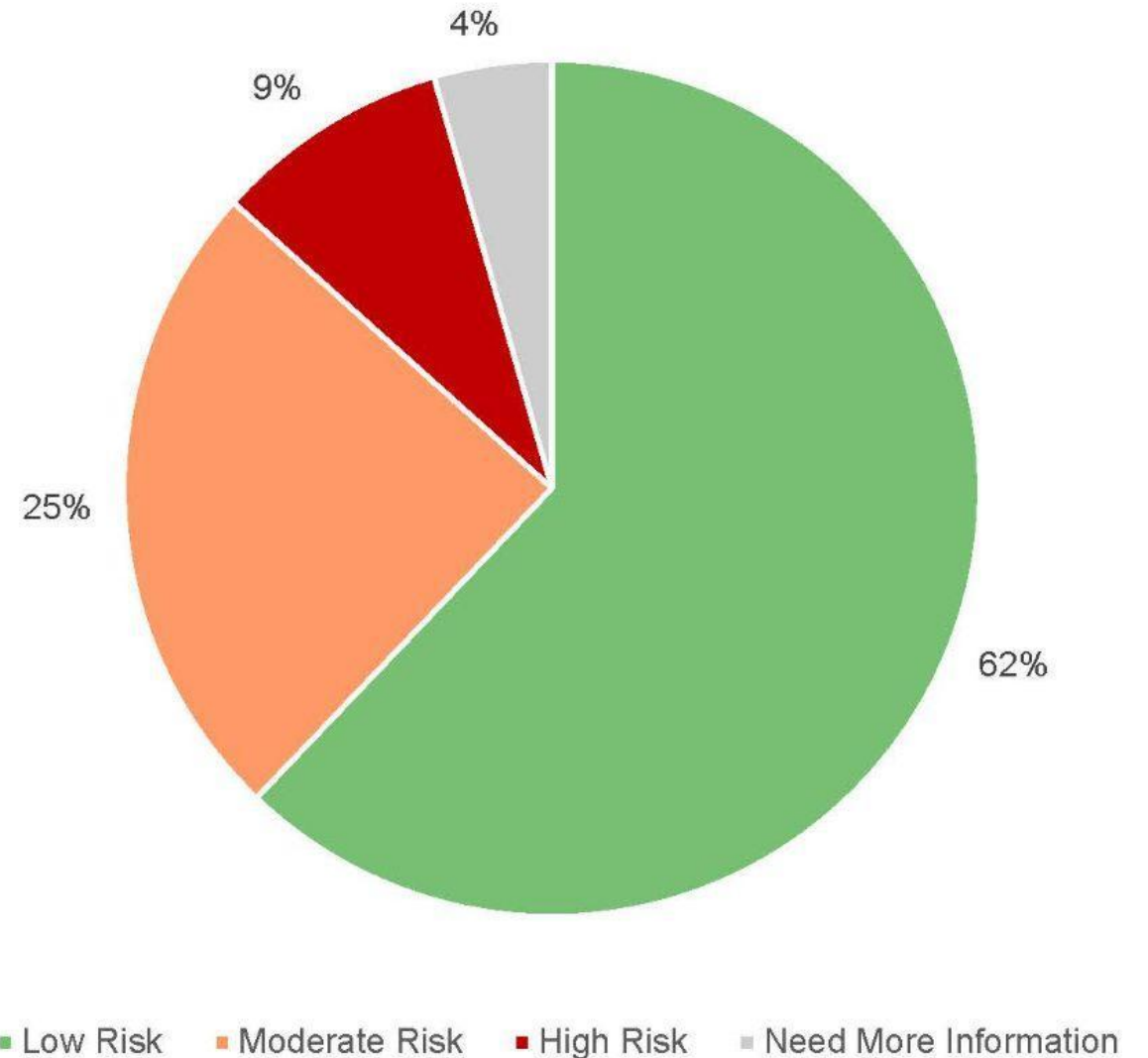
Sources: *Chronicle of Higher Education* [DEI Tracker](#) and [Legislation Tracker](#) (last visited Oct. 10, 2025)

Phase 1: Initial inventory and review

Items submitted by VCU: 314

Items reviewed: 404

High-risk items identified: 35



Phase 1: Follow-up

Advisory Group:

- provides guidance and resources - no decision making
- 20+ division, college and school review sessions

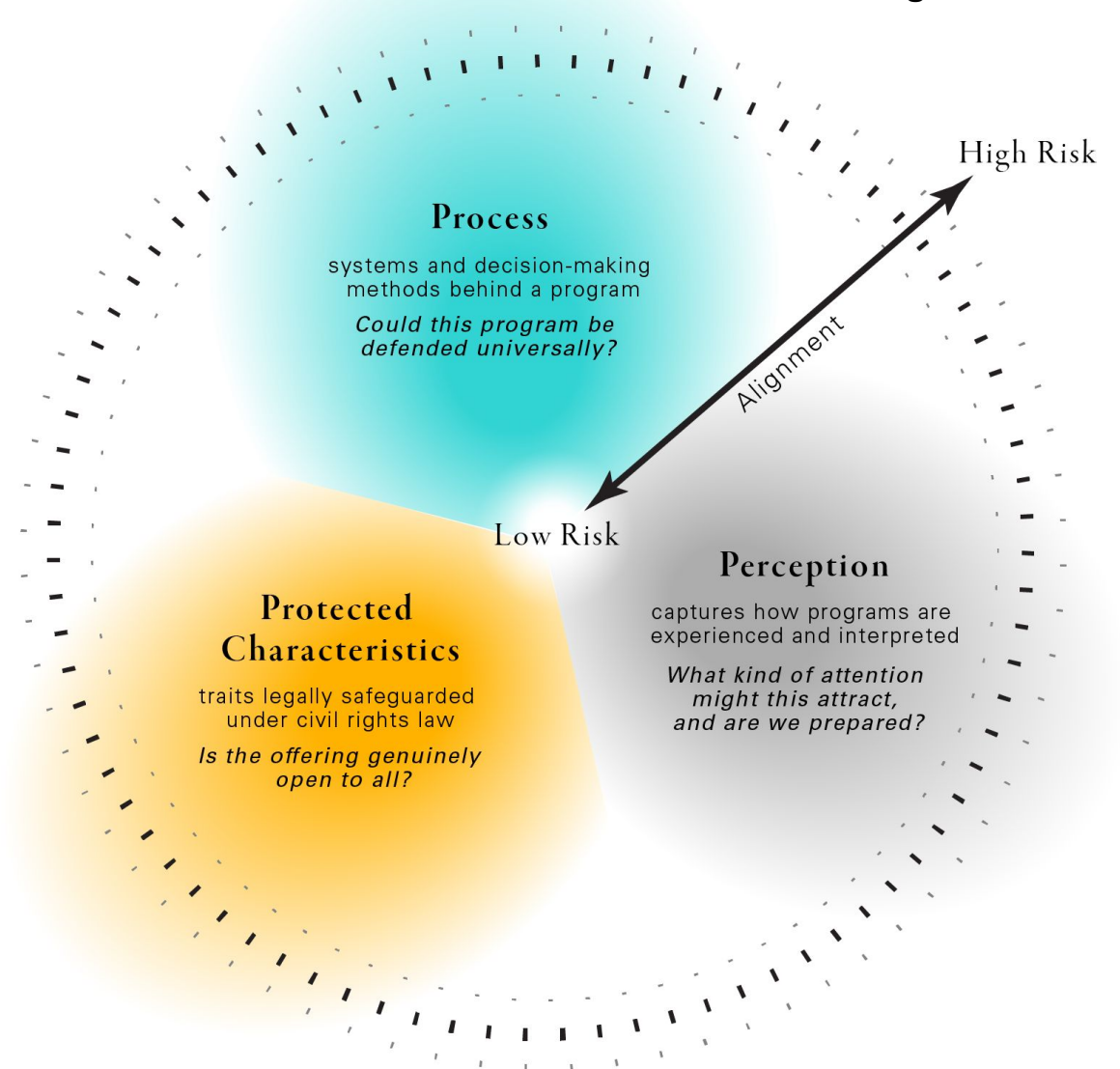
All 35 high-risk items addressed

- Elimination (11)
- Modification (25)

Each moderate and low risk item reviewed

- Modifications made as needed

The 3Ps: A Framework for Decision-making



Phase 2: Comprehensive inventory and review

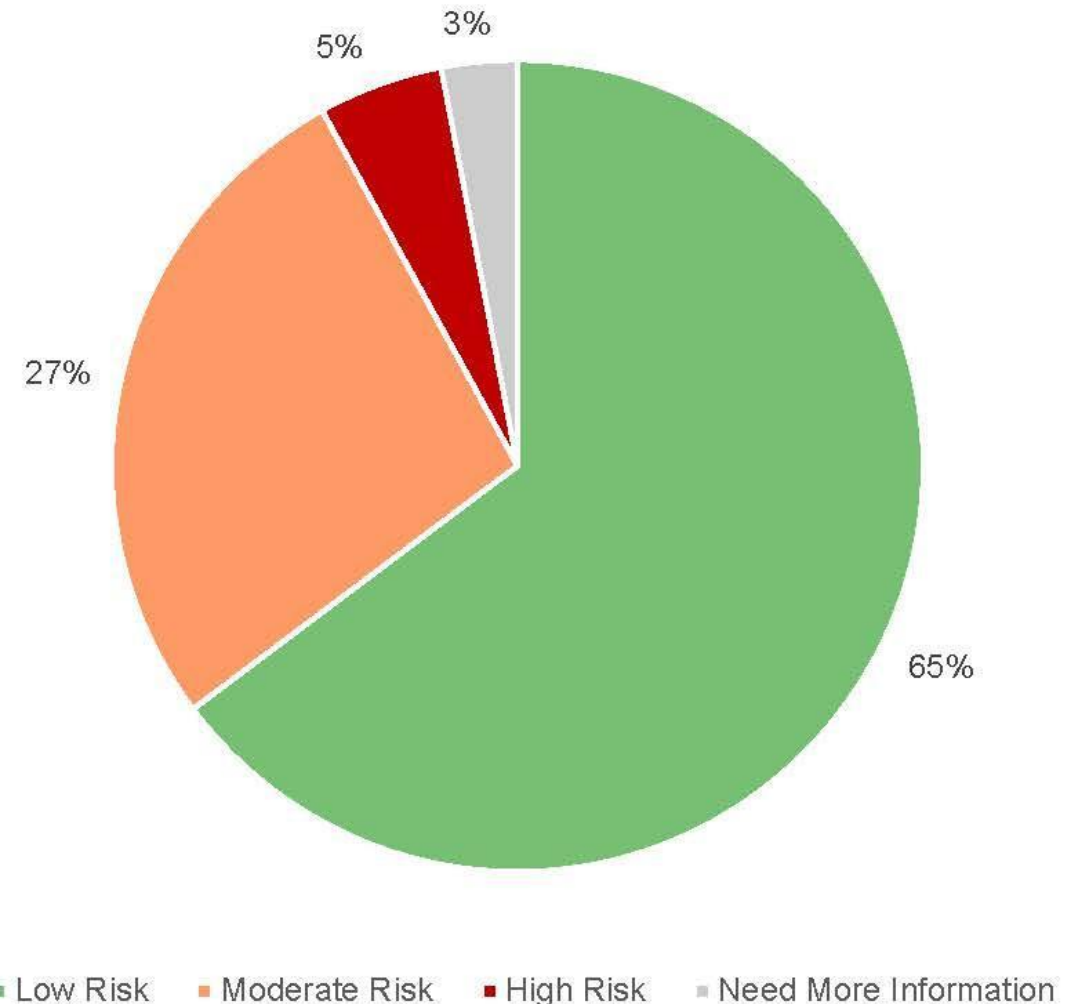
Improved, more informed process:

- Standardized survey
- Wide scope
- Broad distribution

Items submitted by VCU: 562

Items reviewed: 562

High-risk items identified: 31



Phase 2: Follow-up and Next Steps



Consultation

- Advisory committee/units
- Focus on High Risk areas
- Develop resources



Training

- Launch mandatory annual training for employees



Transition

- Equity and Access Services takes the lead on compliance



Reporting

- Year-end report

Business Services - Dining

Purpose:

To determine whether documented procedures were in place and followed to ensure select components of the Dining Services program were administered adequately.

Scope:

- Safety Protocols
- Fixed Assets
- Contracts

Business Services - Dining

Conclusion:

Documented procedures were in place and followed to ensure select components of the Dining Services program were administered adequately, except for the timely removal of disposed fixed assets from the VCU inventory and accurate reporting on the Certification of Fixed Assets Physical Inventory form

One Board level recommendation to improve processes to remove fixed assets from the VCU inventory timely

Management concurs and will:

- *Update written fixed asset procedures - Completion date November 2025*
- *Conduct the fixed asset certification - Completion date April 2026*
- *Develop and implement a new ARMICS process that covers all fixed asset policies and requirements – Completion date January 2026*

Enterprise Risk Management

Deloitte Assessment

VCU Enterprise Risk Management Evolution



Peer review findings

- Compared to peer and aspirational peer institutions, VCU's ERM program is consistent with the midpoint in terms of maturity for Higher Education
 - ERM program is established and integrated strategically
 - Leadership values the ERM program and commitment to risk management
 - Program has solid risk fundamentals: oversight and assessment
- Opportunities for improvement:
 - Mature programs push risk ownership to the operational level
 - Software functionality has not been fully utilized

Deloitte Program Recommendations

- Modify governance structure to provide more granularity of risks; change risk owners to the operational level; and identify executive sponsors
- Modify risk assessment methodology, including standardizing definition of risk, risk assessment scoring and prioritization to assist risk ownership to operational level
- Increase use of Key Risk Indicators (KRI) and Key Performance Indicators (KPI) to provide better analysis of actual risk and integrate these into the budget process

VCU ERM Next Steps

- Revise committee organization, charter and process to actively monitor risks:
 - Include greater use of Key Risk Indicators (KRI's) to inform decision-making
 - Identify risk themes and identify sub-risks with more granularity
 - Add ERM in budget process (CRO added to committee July 2025)
- Develop formal training and communication plan to operationalize risk assessment
- Review a more user friendly ERM software platforms

VCU Risk Reduction Project

Objectives:

- ERM Strategic Risk: review distributed business processes related to Finance, Human Resources, Technology Services Information Technology and Communications
- ERM Operational/Compliance Risk – The committee shall rank accreditation, compliance, and critical university reports and submissions against likelihood and impact

CLOSED SESSION