VCU
Board of Visitors

AUDIT, INTEGRITY AND COMPLIANCE
COMMITTEE THURSDAY, February 26, 2026
1:30 pm
The Honorable Benjamin Lambert, III Board Room
1213 East Clay Street,
Richmond, VA

COMMITTEE MEMBERS PRESENT
Dr. Dale Jones
Dr. Kenneth Lipstock
Mr. C.J. Sailor

OTHER BOARD MEMBERS PRESENT
Ms. Ellen Fitzsimmons, Rector
Mr. Steven DeLuca, Vice Rector

COMMITTEE MEMBERS ABSENT
Mr. Peter Farrell, Chair
Dr. Siobhan Dunnavant, Vice Chair

OTHERS PRESENT
Ms. Suzanne Milton, *Chief Audit and Compliance Executive, University Audit and Compliance Services*
Dr. Michael Rao, *President*
Mr. Jacob Belue, *Associate University Counsel*
Staff from VCU

CALL TO ORDER
Ms. Ellen Fitzsimmons, Rector, called the meeting to order at 1:44 p.m.

APPROVAL OF MINUTES
Ms. Fitzsimmons mentioned the November 20, 2025 committee minutes were posted online and in BoardEffect and asked the committee if there were any questions or changes. Hearing none, on a motion duly made and seconded the committee approved the minutes. The meeting minutes are posted at https://bov.vcu.edu/meetings/minutes/.

Virginia Commonwealth University
Board of Visitors
Audit, Integrity and Compliance Committee
DRAFT
February 26, 2026 Minutes

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

Amy Stokes, audit director with the Auditor of Public Accounts, presented the university's financial statement audit results for the year ended June 30, 2025. The university is receiving an unmodified or clean opinion meaning the financial statements are presented fairly in accordance with the required accounting principles.

Audit, Integrity and Compliance Committee Dashboard Measures

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

Report from the Chief Audit and Compliance Executive of Audit and Compliance Services

Ms. Suzanne Milton reported the results of two recent audits involving U.S. News & World Reports – Data Integrity and Procurement – Travel Reimbursements, each with one board level finding. Ms. Milton provided an Integrity and Compliance office update, the results for the internal audit Quality Assurance and Improvement program for 2025, and status updates for the FY26 audit workplan and semi-annual follow-up. Aaron Hart, VP of Student Affairs provided an update on progress related to an audit of student affairs from November, 2025.

Information Technology Update

Mr. Alex Henson, Chief Information Officer, updated the committee on IT security, reducing enterprise IT risk and AI governance.

CLOSED SESSION

Ms. Fitzsimmons, Rector moved that the Audit, Integrity and Compliance Committee of the Board of Visitors of Virginia Commonwealth University convene in a closed session. Dr. Dale Jones read the motion, which stated that the closed session would be convened under Section 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 report involving data security and certain IT processes**.

RETURN TO OPEN SESSION AND CERTIFICATIONS

Following the closed session, the public was invited to return to the meeting. Ms. Fitzsimmons, Rector, called the meeting to order. The chair reminded members that the personnel matters discussed in closed session are confidential. Sharing confidential personnel information may give rise to a violation of privacy claim against the university. Similarly, the board should treat all other matters discussed in closed session as confidential. On motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BEIT 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.

Vote	Ayes	Nays
Dr. Dale Jones	X	
Dr. Kenneth Lipstock	X	
Mr. C.J. Sailor	X	
Ms. Ellen Fitzsimmons, Rector	X	
Mr. Steven DeLuca	X	

Hon. Peter Farrell, Chair and Ms. Siobhan Dunnavant were absent from the vote. All members responding affirmatively, the resolution of certification was adopted.
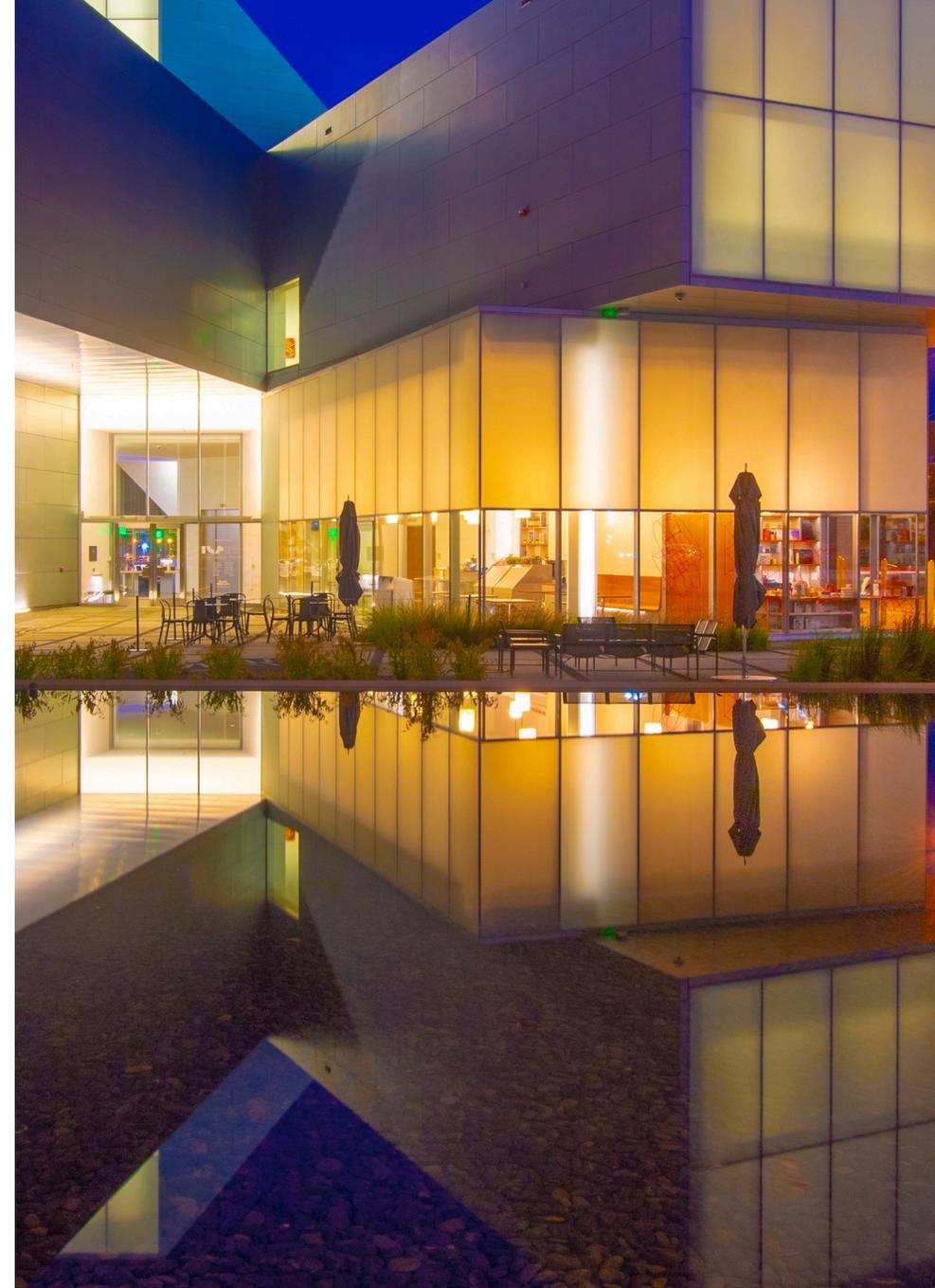
ADJOURNMENT

There being no further business, Ms. Fitzsimmons, Rector, adjourned the meeting at 2:40 p.m.

ATTACHMENT A

VCU BOARD OF VISITORS

Audit, Integrity and Compliance Committee

February 26, 2026

For Action: Approval of Minutes

- Audit, Integrity and Compliance Committee Meeting held on November 20, 2025
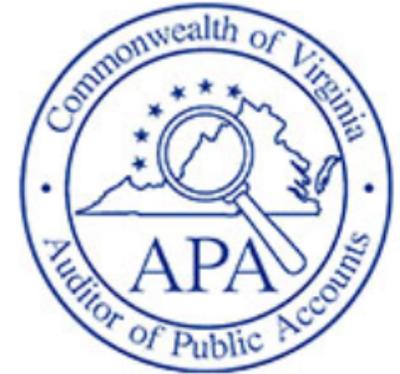
- Motion to approve the Minutes

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

VCU Board of Visitors

Audit, Integrity and Compliance Committee

February 2026

Integrity and Compliance FY 2026 Analysis YTD

2026 Total Volume Reported Concerns **122**

↓ 17.6% from FY 2025

Severity **8** High **17** Medium **97** Low

Top 5 Substantiated Concerns

Ethics Violation	2
Harassment	2
Conflict of Interest	1
Employee Relations	1
Improper Use of IP, Copyright Violations, or Software Piracy	1

Top 5 Reported Issues

Ethics Violation	13
Employee Relations	13
Abuse of Power, Authority, or Council	12
Retaliation or Retribution	10
Harassment	9

Anonymous Reporting Rate **18%**

Top 5 Locations

- Qatar Campus 6
- School of the Arts 6
- VP for Research and Innovation 14
- School of Medicine 16
- Off Campus 8
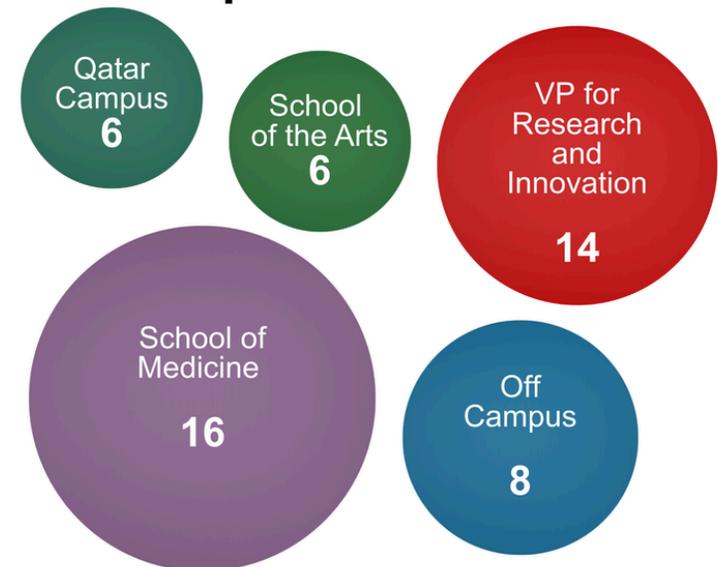
Overall Substantiation Rate YTD
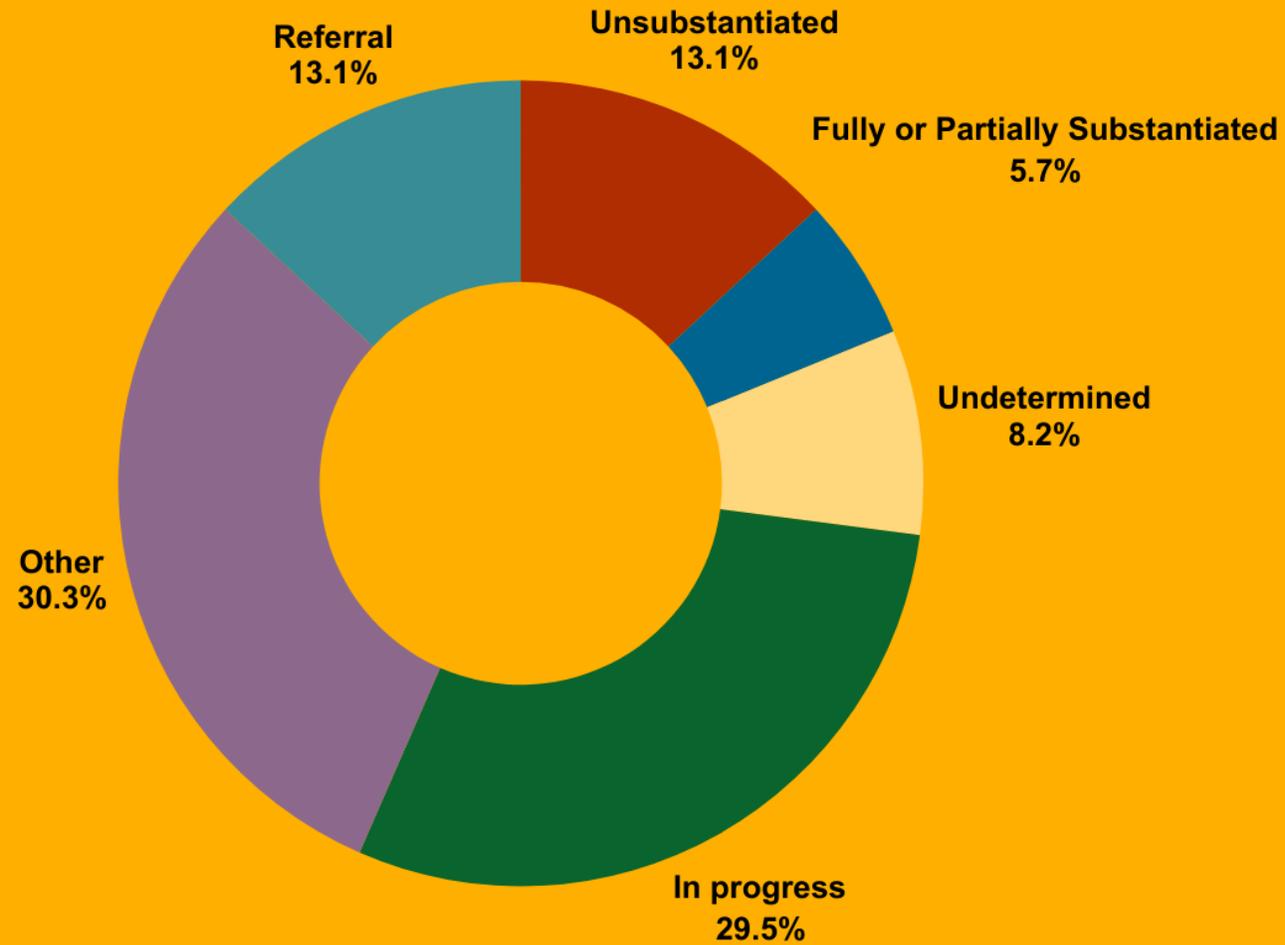
Internal Audit
Quality Assurance and Improvement Program

Results of 2025 annual assessment performed by internal audit quality manager:

- ✓ Generally Conforms with Global Internal Audit Standards

- ✓ Staff are independent and comply with Code of Ethics

- ✓ Continuous improvement observed to close the gaps identified in 2024 between the new Global Internal Audit Standards and department practices

VCU

Audit Recommendations Root Cause Analysis

Root Cause Theme	Instances Per Theme
No Documented or Insufficient Procedures/ No Formal Process	28
Insufficient Training/Lack of Training	27
Lack of Monitoring/Oversight	25
Turnover and/or lack of resources	13
Lack of Assignment of Responsibility	6
Insufficient or No Policy	4
Auto-Renew Contract Language	3
Lack of Collaboration Between Departments/Units	2
Insufficient communication processes	1
IT Equipment Resides Outside of UCC	1
Lack of Awareness	1
Lack of Data Governance	1
Software Dependency on End-of-Support Operating Systems	1
Grand Total	113

U.S.News & World Report Best Colleges Ranking – Data Integrity

Purpose:

To Determine Whether:

- There were existing policies, procedures, standards, or guideline for compiling select VCU data for *U.S. News* surveys and were they sufficient and adhered to

- Data submitted to *U.S. News* was reasonable as compared to previous submissions

- Data submitted to *U.S. News* did not differ from that sent to other sources, or from data reported on the University's websites

- Individuals responsible for compiling and reporting *U.S. News* data had that responsibility included in their annual evaluation goals

Scope:

Our scope of *U.S. News World Report* Best Colleges Rankings encompassed 2025 published rankings

VCU

U.S.News & World Report Best Colleges Ranking – Data Integrity

Conclusion:

- There were no central existing policies, procedures, standards, or guidelines for compiling select VCU data for U.S. News Surveys

- Individuals responsible for compiling and reporting U.S. News data did not have that responsibility included in their evaluation goals

- Data submitted to U.S. News was reasonable as compared to previous submissions

- Data submitted to U.S. News did not differ from that sent to other sources, or from data reported on the University's websites

One Board level recommendation to develop a policy, related controls and monitoring procedures for external reporting (including U.S. News & World Report ranking surveys)

VCU

U.S. News & World Report Best Colleges Rankings – Data Integrity

Management concurs and will develop a university policy that establishes clear requirements, controls, and review processes for external reporting, including U.S. News & World Report submissions in two phases:

- *Phase I: The Vice Provost for Institutional Research, Decision Support, and Data Strategy in collaboration with the appropriate vice presidents and the Integrity and Compliance Office will develop an interim policy to address the recommendation items noted above. Completion: June 30, 2026*

- *Phase II: The Vice Provost for Institutional Research, Decision Support, and Data Strategy, in collaboration with the appropriate vice presidents and the Integrity and Compliance Office, will convene a policy development committee and advance a draft through VCU's Creating and Maintaining Policies and Procedures process. This work will include stakeholder consultation, development of a draft policy and Executive Summary, a 30-day public comment period, and required governance reviews, followed by submission for approval to the appropriate bodies. Completion: January 31, 2027*

VCU

Procurement Services – Travel Reimbursements

Purpose:

To Determine Whether

- There was adherence with policies, procedures, and guidelines

- Training was provided to central staff and departmental approvers, and was adequate

- There was adequate central review of reimbursement requests

Scope:

Encompassed fiscal year 2025 as a targeted review focused on travel reimbursement process

VCU

Procurement Services – Travel Reimbursements

Conclusion:

- There were adequate policies, procedures, and guidelines

- Adequate training was provided to Central staff, but there was no formal training provided to departmental approvers

- Central review of reimbursement requests was adequate

One Board level recommendation to provide training to travel approvers and perform regular routine monitoring of approvals accuracy

Management concurs and will:

- *Develop a New Hire Overview in collaboration with HR - Completion date August 2026*

- *Develop training specifically for travel approvers - August 2026*

- *Redesign Procurement Services website to provide clearer process guidance, updated definitions and instructional videos – Completion date May 2026*

- *Implement semi-annual routine sample audits – Spring 2026 and ongoing*

VCU

Semi-Annual Follow-up Status

All of the 23 open issues met their target date or were on track as reported at the September Audit and Compliance Committee meeting. Two of the items were reported as complete by management, however, there was not enough time for the areas to produce sufficient data for audit to perform follow-up testing. Audit will follow up at the end of Q1 2026.
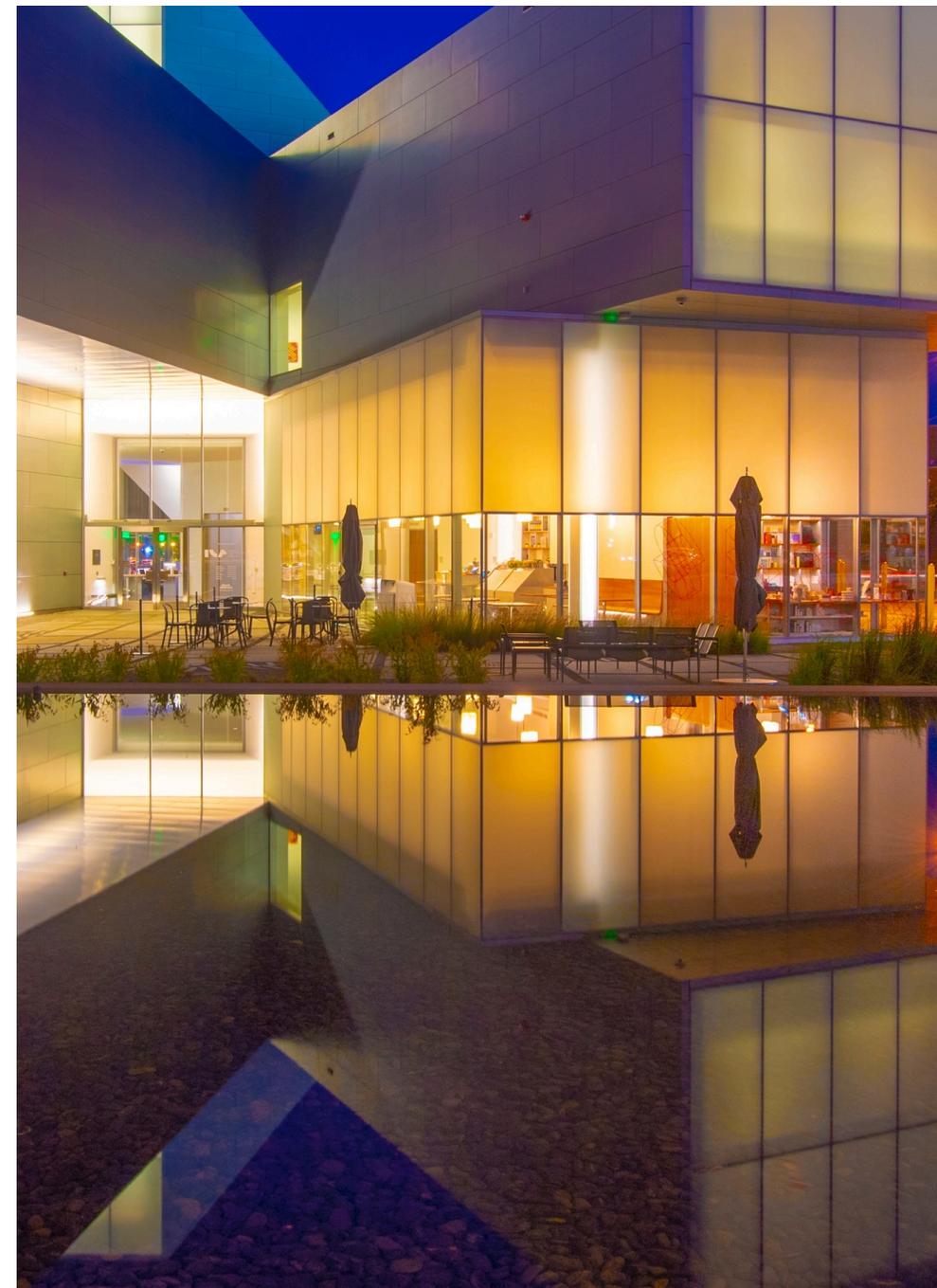
VCU

INFORMATION TECHNOLOGY UPDATE

Board of Visitors Meeting

Audit, Integrity, and Compliance Committee

Alex Henson, Chief Information Officer
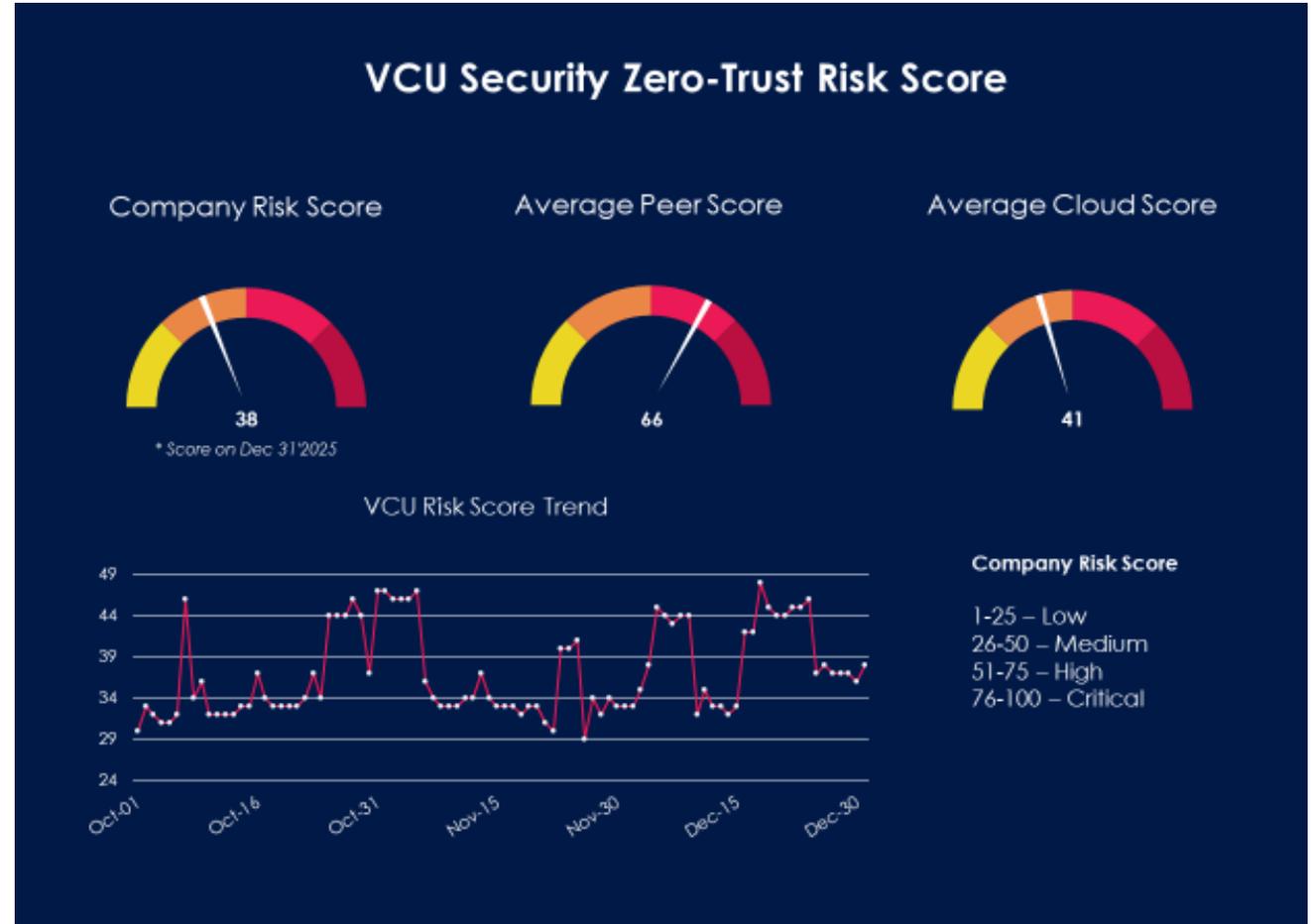
February 26, 2026

VCU

IT Security Updates

Current Areas of Effort:

- Secure and limited remote access and removal of the legacy VPN

- Vulnerability Management Program overhaul

- Reduction/rationalization of decentralized system management to reduce risk

- Security enhancements for VCU owned devices

Emerging Risk:

- Increased number of targeted attacks on higher education institutions (e.g. UPenn, Harvard, and Dartmouth)

VCU Security Zero-Trust Risk Score

Company Risk Score: 38
* Score on Dec 31'2025

Average Peer Score: 66

Average Cloud Score: 41

VCU Risk Score Trend

Company Risk Score
1-25 – Low
26-50 – Medium
51-75 – High
76-100 – Critical

VCU

Reducing Enterprise IT Risk

Vulnerability Management

- External resource engaged to clear backlog – 80% complete with full completion by end of June

- Vulnerability Management Program redesign to be complete by end of June with vendor engaged and staff re-aligned to provide ongoing remediation and support

Application Management

- Full updated inventory of non-central applications substantially completed with ownership and risk profile information

- Management plan for ongoing application management with staffing/funding plan to be complete by end of June

Server Management

- "Housed Server" program discontinued and migration to hosted model underway with projected completion June, 2026

- Two additional positions for server management are being hired

- Data center funding/recharge model being re-worked

VCU

AI Governance: Active and Maturing

Governance & Oversight

Policy & Standards

Risk Management & Compliance

Active

- AI reviews embedded in IT Governance

- Institutional GenAI Policy approved
- AI chatbot standards embedded

- AI risks in IT risk register

Maturing

- Formalize governance charter, roles, escalation
- Establish reporting cadence

- Expand standards and procedures

- Monitoring and controls in development
- Define AI risk metrics

VCU

AI Governance: Active and Maturing

	Technology Enablement	Education & Culture	Transparency & Continuous Improvement
Active	• Vetted generative AI toolsets available • Vendor AI reviewed and approved • Piloting and licensing of new AI technology	• AI literacy and risk training delivered • Training embedded institution-wide	• Initial chatbot transparency standards
Maturing		• Expand role-based training	• Incident reporting and metrics • Ongoing maturity reassessment