



**Board of Visitors
Audit, Integrity and Compliance Committee
7:45 a.m.
May 10, 2019
James Cabell Library
901 Park Avenue, Room 311, Richmond, Virginia**

Minutes

COMMITTEE MEMBERS PRESENT

Mr. Keith T. Parker, Chair
Mr. H. Benson Dendy III
Dr. Robert D. Holsworth
Dr. Carol S. Shapiro

COMMITTEE MEMBERS ABSENT

Mr. Ron McFarlane
Mr. Edward McCoy

OTHERS PRESENT

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

CALL TO ORDER

Mr. Keith T. Parker, Chair, called the meeting to order at 7:45 a.m.

APPROVAL OF AGENDA

Mr. Parker asked for a motion to approve the agenda for the May 10, 2019 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the agenda for the May 10, 2019 meeting of the Audit, Integrity, and Compliance Committee (AICC) was approved.

APPROVAL OF MINUTES

Mr. Parker asked for a motion to approve the minutes of the March 22, 2019 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the March 22, 2019 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>.

Audit, Integrity and Compliance Committee Charter and Meeting Planner Update

Ms. Karen Helderman, Executive Director of Audit and Compliance Services, reviewed updates to the Committee Charter and Meeting Planner, which included proposed changes to provide clarity to the Charter. The Committee Charter and Meeting Planner are reviewed and approved annually. The committee approved the Committee Charter and Meeting Planner for recommendation to the board. A copy of the Charter and Meeting Planner are attached hereto as **Attachment A** and are made a part hereof.

Proposed FY2020 Audit Work Plan

Ms. Karen Helderman discussed the FY2020 audit work plan for the committee's review and approval. Work plan materials included an audit planning overview, the COSO's model of internal control framework, the financial magnitude functions considered and the proposed internal audit work plan for FY2020. The committee approved the FY2020 audit work plan for recommendation to the board. A copy of the FY2020 audit work plan is attached hereto as **Attachment B** and made a part hereof.

Proposed FY2020 University Ethics and Compliance Program Initiatives

Ms. Karen Helderman presented the Integrity and Compliance Office proposed annual initiatives for the committee's approval. These initiatives provide assurances that the administration is addressing compliance requirements, ethical behaviors and overall institutional integrity. The committee approved the compliance program initiatives for recommendation to the board. A copy of the FY 2020 University Ethics and Compliance Program initiatives is attached hereto as **Attachment C** and made a part hereof.

Auditor of Public Accounts (APA) Entrance Conference for FY2019 Audit

Mike Reinholtz, APA Audit Director, discussed the planning and scope for the FY19 annual financial audit. The discussion covered the timing of this year's audit, audit scope and objectives, risk considerations, audit and management responsibilities and audit reporting communications.

Committee Dashboard Measures

Ms. Karen Helderman reported the current status of the dashboard measures to the committee. Indicators for Data Security, Planned Audits and Compliance Oversight remain yellow.

FY2019 Audit Work Plan Status

Ms. Karen Helderman reported the 2019 work plan update to the committee. Since the March 2019 Committee update, Audit and Management Services has hired a senior auditor and contracted an IT audit vendor to begin two technology audits. We continue to actively recruit for an IT auditor.

Quality Assurance Review

An Institute of Internal Auditors (IIA) standard requires audit organizations citing IIA standards to participate in a Quality Assurance Review (QAR) once every 5 years. Audit and Management Services next Quality Assurance Review (QAR) is due by October 2019.

Development and Alumni Relations Audit Report

Ms. Helderman discussed the Development and Alumni Relations audit report that was issued since the March committee meeting. This report did not include findings warranting the Committee's attention. Audit and Management Services concluded positively to the audit objectives, but did provide some recommendations for management's attention. Corrective actions and targeted completion dates were provided.

Ethics and Compliance Effectiveness Report

The committee received a briefing on the four primary recommendations of VCU's recent Effectiveness Report provided by Ethisphere. Mr. Dendy requested that the Executive Director prepare and present a detailed corrective action plan for all 34 recommendations at the September 2019 Committee meeting.

Data Governance Update

Monal Patel, Associate Vice Provost for Institutional Research and Decision Support, provided an update on the Data and Information Management Council (DIMC) and data governance activities.

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 pursuant to Sections 2.2-3711 (A) (1) and 2.2-3711 (A) (7) of the Virginia Freedom of Information Act to discuss certain personnel matters involving the performance of identifiable employees or faculty of the university, and to discuss the evaluation of performance of departments or schools of the university where such evaluation will necessarily involve discussion of the performance of specific individuals, including audit reports of individually identified departments and/or schools, and to consult with legal counsel and receive briefings by staff members regarding legal matters and actual or probable litigation relating to the aforementioned audit reports where such consultation or briefing in open session would adversely affect the negotiating or litigating posture of the university.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Parker, 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. Keith Parker, Chair	X	
Mr. H. Benson Dendy III	X	
Dr. Robert Holsworth	X	
Dr. Carol Shapiro	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

There being no further business Mr. Parker, Chair, adjourned the meeting at 9:23 a.m.

VIRGINIA COMMONWEALTH UNIVERSITY BOARD OF VISITORS

AUDIT, INTEGRITY, AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Audit, Integrity, and Compliance Committee is to assist the Board of Visitors in fulfilling its fiduciary responsibilities related to oversight of:

- Soundness of the university's system of internal controls
- Integrity of the university's financial accounting and reporting practices
- Independence and performance of the internal and external audit functions
- Integrity of information technology infrastructure and data governance
- Effectiveness of the university's ethics and compliance program
- University's enterprise risk management program
- Legal matters

The function of the Audit, Integrity, and Compliance Committee is oversight. ~~Audit and Compliance Services assists the Committee by providing the day to day audit, integrity and compliance operations of the University within the established authority under the governance of the Committee. University management is responsible for the preparation, presentation, and integrity of the university's financial statements. University management is also responsible for maintaining appropriate financial accounting and reporting policies, procedures, and controls designed to assure compliance with generally accepted accounting principles and applicable laws and regulations. University management is also responsible for effective design, implementation, and operation of information technology infrastructure as well as data management and data governance policies and procedures.~~

~~Audit and Management Services, within Audit and Compliance Services, examines and evaluates the adequacy and effectiveness of the university's system of internal controls; examines whether university operations and employee actions are conducted in compliance with relevant policies, procedures, standards, and applicable laws and regulations; and performs management services activities, including advisory services for critical systems development projects, performance of special projects requested by the Board and senior management, and investigation of allegations of fraud or improprieties. The university's external auditor, the state Auditor of Public Accounts, is responsible for planning and conducting the financial statement examination in accordance with generally accepted government auditing standards.~~

~~The Integrity and Compliance Office, within Audit and Compliance Services, promotes a culture of ethics and compliance through training, support and guidance; evaluates the adequacy and effectiveness of existing policies, procedures, and compliance programs; administers the University Helpline and maintains other reporting mechanisms available to all employees, and reports information related to the Ethics and Compliance Program effectiveness throughout the year. University management is responsible for establishing and~~

~~enforcing policies and procedures and for maintaining appropriate programs to comply with all applicable laws and regulations. The Integrity and Compliance Office is a resource available to all areas of the university.~~

II. COMPOSITION AND INDEPENDENCE

The Audit, Integrity, and Compliance Committee will be comprised of three or more Visitors. Each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or Audit, Integrity, and Compliance Committee members, would impair their independence from management and the university.

III. MEETINGS

The Audit, Integrity, and Compliance Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee ~~chairman~~ **Chair** should meet with the Executive Director of Audit and Compliance Services as necessary and at least prior to each Committee meeting to finalize the meeting agenda and review the issues to be discussed.

IV. RESPONSIBILITIES

In performing its oversight responsibilities, the Audit, Integrity, and Compliance Committee shall:

A. General:

1. Adopt a formal written charter that specifies the Committee's scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of meetings.
3. Authorize investigations into any matters within the Audit, Integrity, and Compliance Committee's scope of responsibilities.
4. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
5. Consistent with state law, the Committee may meet in closed session (without members of senior management present) with the external auditors and/or the Executive Director of Audit and Compliance Services to discuss matters that the Committee or any of these groups believe should be discussed privately.
6. Review and approve the Audit and Compliance Services budget and resource plan.
7. Approve the Audit and Compliance Services charter. The charter should be reviewed annually and updated as necessary.

B. Internal Controls/~~Financial Statements:~~

1. Review and evaluate the university's processes for assessing significant risks and exposures.

2. Make inquiries of management ~~and the external auditors~~ concerning the effectiveness of the university's system of internal controls.
- ~~3. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles.~~
3. Review management's written responses to significant findings and recommendations of the auditors, including the timetable to correct the weaknesses in the internal control system.
4. Advise management ~~and the external auditors~~ that they are expected to provide a timely analysis of significant financial reporting issues and practices.
- ~~5. Require Audit and Compliance Services to perform annual reviews of the President's discretionary accounts and to issue a report thereon to the Committee.~~

C. External Auditors/Financial Statements:

1. Meet with the external auditors and university management to review the scope of the external audit for the current year. The auditors should inform the Audit, Integrity, and Compliance Committee of any significant changes in the original audit plan.
2. Discuss with the external auditors their processes for identifying and responding to key audit and internal control risks.
3. Advise the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices
4. Review the coordination of internal and external audit procedures to promote an effective use of resources and ensure complete and efficient coverage of the university's risks.
5. Meet with the external auditors at the completion of the audit and make inquiries concerning the effectiveness of the university's system of internal controls. A portion of the meeting may be conducted in Executive Session without members of university management present.
6. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles.

D. Internal Auditors:

1. Review and approve the annual audit and management services work plan and any significant changes to the plan.
2. Require Audit and Compliance Services to perform annual reviews of the President's discretionary accounts and to issue a report thereon to the Committee.
3. Review annually the qualifications of the audit and management services staff and the level of staffing.
4. Assess the effectiveness of the internal audit function, including its independence and reporting relationships and conformance with The Institute of Internal Auditors' (IIA) Definition of Internal Auditing, Core Principles, the IIA Code of Ethics and the *International Standards for Professional Practice of Internal Auditing* by inquiring

and reviewing the assessment results of the internal and external Quality Assurance and Improvement Program.

5. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources.
6. Review annually the status of previously issued internal audit findings.
7. Inquire of the Executive Director of Audit and Compliance Services regarding any difficulties encountered in the course of his audits, including any restrictions on the scope of work or access to required information.
8. Review the performance of the Executive Director in consultation with the President and approve the Executive Director's annual salary compensation and bonus, if any.
9. Review and approve the appointment, replacement, reassignment, or dismissal of the Executive Director of Audit and Compliance Services.

E. Data Integrity:

1. Review the adequacy of the university's IT management methodology with regards to internal controls, including applications, systems, and infrastructure. This includes but is not limited to:
 - Physical and virtual security with regards to university servers and storage
 - Network security architecture and operations
 - Reliability and robustness of data center (servers and storage) and network infrastructure environments
 - Disaster recovery and business continuity infrastructure and associated processes and procedures.
2. Review the adequacy of the university's data management policies and procedures to ensure data security and data integrity in institutional reporting. This includes but is not limited to:
 - Authentication and authorization mechanisms in accessing university data
 - Data Governance structure and policies
 - Data security policies including data access roles and responsibilities

F. University Ethics and Compliance Program:

1. Review the annual compliance planned initiatives and any significant changes to the plan.
2. Review the qualifications of the compliance staff and the level of staffing.
3. Assess the effectiveness of the compliance program, including its independence and reporting relationships.
4. Review completed compliance reports and progress reports on the status of compliance and integrity related initiatives including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts).

5. Require the Integrity and Compliance Office to report on management's processes and procedures that provide assurance that the university's mission, values, ~~and~~ codes of conduct, and universitywide policies are properly communicated to all employees.
6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct.
7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews.

G. Enterprise Risk Management

1. Provide oversight of the university's Enterprise Risk Management program.
2. Review the university's risk appetite.
3. Require periodic reporting on the overall program's design and effectiveness, including newly identified risks
4. Monitor progress of Risk Mitigation Plans and review policy and resource improvements as necessary.

H. Legal:

1. Consult as necessary with University Counsel regarding legal issues concerning the university.

**Virginia Commonwealth University
Board of Visitors**

Audit, Integrity and Compliance Committee Meeting Planner

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
A. General							
1. Review and update Audit, Integrity, and Compliance Committee charter and meeting planner	X						X
2a. Approve minutes of previous meeting		X		X	X	X	X
2b. Maintain minutes of meetings		X		X	X	X	X
3. Authorize investigations into any matters within the Committee's scope of responsibilities			X				
4. Report Committee actions to the Board of Visitors with recommendations deemed appropriate		X		X	X	X	X
5. Meet in executive session, with external auditors and/or Executive Director of Audit and Compliance Services		X		X	X	X	X
6. Review and approve the Audit and Compliance Services budget and resource plan.	X			X			
7. Review and approve Audit and Compliance Services charter	X			X			
B. Internal Controls/Financial Statements							
1. Review and evaluate university's process for assessing significant risks and exposures	X			X			
2. Make inquiries of management and external auditors concerning the effectiveness of the university's system of internal controls			X	X			X
3. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles	X			X			
3. Review management's written responses to significant findings and recommendations of the auditors, including the timetable to correct the weaknesses in the internal control system			X				
4. Advise management and the external auditor that they are expected to provide a timely analysis of significant current financial reporting issues and practices			X	X			X

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
6. Require Audit and Compliance Services to perform annual reviews of the president's discretionary accounts and to issue a report thereon to the Committee			X		X		
C. External Auditors							
1. Meet with external auditors and university management to review the scope of the external audit for the current year	X						X
2. Discuss with the external auditors their processes for identifying and responding to key audit and internal control risks	X						X
3. Advise the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices	X						X
4. Review the coordination of internal and external audit procedures to promote an effective use of resources and ensure complete and efficient coverage of the university's risks			X				X
5. Meet with the external auditors at the completion of the audit and make inquiries concerning the effectiveness of the university's system of internal controls.	X				X		
6. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles	X				X		
D. Internal Auditors							
1. Review and approve the annual audit and management services work plan and any significant changes to the plan	X						X
2. Require Audit and Compliance Services to perform annual reviews of the president's discretionary accounts and to issue a report thereon to the Committee	X				X		
3. Review the qualifications of the audit and management services staff, the adequacy of the staffing level	X			X			

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
4. Assess the effectiveness of the internal audit function, including its independence and reporting relationships and conformance with the Definition of Internal Auditing, Core Principles, the IIA Code of Ethics and the <i>International Standards for Professional Practice of Internal Auditing</i> by inquiring and reviewing the assessment results of the internal and external Quality Assurance and Improvement Program	X				X		
5. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources		X		X	X	X	X
6. Review annually the status of previously issued internal audit findings	X			X			
7. Inquire of the Executive Director of Audit and Compliance Services regarding any difficulties encountered in the course of his audits, including any restrictions on the scope of work or access to required information		X		X	X	X	X
8. Review the performance of the Executive Director in consultation with the President and approve the Executive Director's annual salary compensation and bonus, if any.	X			X			
9. Review and approve the appointment, replacement, reassignment, or dismissal of the Executive Director of Audit and Compliance Services			X				
E. Data Integrity							
1. Review the adequacy of the university's IT management methodology with regards to internal controls, including applications, systems, and infrastructure. This includes but is not limited to: - Physical and virtual security with regards to university servers and storage - Network security architecture and operations - Reliability and robustness of data center (servers and storage) and network infrastructure environments - Disaster recovery and business continuity infrastructure and associated processes and procedures			X	X		X	

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
2. Review the adequacy of the university's data management policies and procedures to ensure data security and data integrity in institutional reporting. This includes but is not limited to: • Authentication and authorization mechanisms in accessing university data • Data Governance structure and policies • Data security policies including data access roles and responsibilities			X	X	X	X	X
F. University Ethics and Compliance Program							
1. Review the annual compliance planned initiatives and any significant changes to the plan	X						X
2. Review the qualifications of the compliance staff and the level of staffing (utilization and effort focus)	X			X			
3. Assess the effectiveness of the compliance program, including its independence and reporting relationships	X			X			
4. Review completed compliance reports and progress reports on the status of compliance and integrity related activities initiatives including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts)		X		X	X	X	X
5. Require the Integrity and Compliance Office to report on management's processes and procedures that provide assurance that the university's mission, values, and codes of conduct and universitywide policies are properly communicated to all employees	X			X			X
6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct			X	X	X	X	X
7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews		X		X	X	X	X
G. Enterprise Risk Management							
1. Provide oversight of the university's Enterprise Risk Management program		X		X	X	X	X
2. Review the university's risk appetite			X				

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
3. Require periodic reporting on the overall program's design and effectiveness, including newly identified risks		X		X	X	X	X
4. Monitor progress of risk mitigation plans and review policy and resource improvements as necessary		X		X	X	X	X
H. Legal							
1. Consult as necessary with University Counsel regarding legal issues concerning the university		X		X	X	X	X

ATTACHMENT B

**Virginia Commonwealth University
University Audit and Management Services
Proposed Audit Work Plan
July 1, 2019 - June 30, 2020**

	Projected Hours
<u>RISK-BASED AUDITS</u>	
Prior Year Carryover:	
Human Resources - Separations (100 remaining hours)	
Student Fees and Expenditures (100 remaining hours)	
Global Education (100 remaining hours)	
Current Year (average 300 - 425 hours):	
Office of Strategic Enrollment Mgmt	
Engineering and Utilities	
Degree Conference and Award	
VCU Card Office	
Budget and Resource Analysis	
VP for Inclusive Excellence	
Office of Research and Innovation - Integrity and Compliance	
School of Dentistry	
Authentication of Vendor Information	
Auxiliary Operations Forecasting	
IT Authentication Systems Management	
IT Facilities Management Department Systems	
IT Office of Research and Innovation Technology	
IT Integrated Systems/ERP Management and Security	
Optional:	
School of Social Work	
Office of Sponsored Programs (FY19 carryover)	
Public Safety and Security	
Human Resources - Benefits Administration	
School of Pharmacy	
Subtotal	5,645
<u>ANNUAL AUDITS/SPECIAL REVIEWS</u>	
Prior Year Carryover:	
Athletics - Year 3 - NCAA Compliance Review (50 remaining hours)	
IT Web Services and Application Security (100 remaining hours)	
Current Year:	
Siegel Center Operations and Athletics Fiscal Processes	
Review of Selected Accounts - FY19	
Police Evidence Room - twice a year	
Follow-Up on Outstanding Audit Recommendations	
Risk Assessment	
IT Technology Services Risk Assessment Management	
Subtotal	1,690
<u>OTHER PROJECTS</u>	
Investigations and Management Requests	
Other Management Services	
Workpaper System Administration	
Data Analytics	
Subtotal	2,265
TOTAL	<u><u>9,600</u></u>



VCU

Integrity and Compliance

FY 2020 Ethics and Compliance Program Risk Based Initiatives

Maintenance of VCU's Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission's Sentencing Guidelines, Chapter 8, which provide the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; sound business sense; risk acceptance and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU's culture and overall risk mitigation processes, the Compliance and Ethics Program provides advisory resources to all departments; reporting mechanisms to all employees, students and visitors; and regularly solicits interactions from a cross section of stakeholders helping progression and monitoring of ethics and compliance based activities. Based on providing these services throughout FY 2019, the initiatives for FY 2020 reflect a balance of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is made and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university's governing authority.

Each year, initiatives are selected, or mature, in order to reduce wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public's trust and the integrity and reputation of a responsible university.

Note: These activities reflect known data points and information established from the collaborative relationships with Ethics and Compliance Partners and other key stakeholders.

FY 2020 Initiatives:

Continue providing the BOV and Senior Leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need.

More specifically focused on:

Effectiveness Review of Ethics and Compliance Program

- Prepare comprehensive response to Ethisphere's findings and recommendations – includes exploratory phase with compliance partners and key stakeholders
- Complete self-assessment and results comparison with the national Ethics and Compliance Initiative cohort



VCU

Integrity and Compliance

- Report Findings and Recommendation Response to BOV, Cabinet, Compliance Advisory Committee, Enterprise Risk Management Committee, internal ACS, ICO staff and other key stakeholders
- Prioritize activities focused on the Four Key Recommendations
 - Develop Regular Training Program for All Managers
 - Streamline Communication Planning
 - Consider ICO Staffing and Ethics Ambassador Program and Review Reporting Line for CECO
 - Continue Consolidation of Case Management Systems

Integrity and Compliance Office Reporting to BOV Audit, Integrity and Compliance Committee

- Bolster Annual Issues and Events reporting results with enhanced analytics insights and benchmarking from central case management platform, includes higher education cohort
- Provide dashboard format of ethics and compliance metrics informing risk assessment; solicit input; and establish risk appetite – working toward standardized quarterly reporting
- Ethisphere's Design and Effectiveness Review Response to Recommendations Plan – see details above

COI Program Enhancement - Conflicts of Interest and Commitment, Individual and Institutional Enhancements are needed regarding training, policy approval, use of electronic solution for disclosures and management plans; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance, risk, and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity and Compliance Committee of the BOV.

- Fully implement policy and software solution for disclosing interests and managing conflicts
 - To include set expectations; required reporting; compliance with required committee review process; and managing of identified conflicts
- Creation of formal Interest Disclosure Review Committee – to include training on expectations outlined in policy's requirements
- Continued guidance responding to inquiries related to proactive avoidance, or response to disclosed institutional conflicts and conflicts of commitment
- Continued service as liaison to Commonwealth for mandated state disclosure

Employee Ethics and Compliance Training and Accountability

- Integrate Ethics Related Actions and other positive ethics incentives into performance evaluations - initial phase, pilot cohort



VCU

Integrity and Compliance

- Execution of Annual Employee Compliance Training – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
- Develop and Conduct Role-based Training for Managers: Anti-retaliation
- Develop and Conduct Role-based Training for Internal Workplace Investigations
- Execution of high profile awareness events during National Ethics & Compliance Week, November 2019 - offered to employees and students
- Continued in person participation in New Employee Orientations and New Chair Training / Development; online content delivery; and other custom requests to individual units

Gap and Risk Assessment Activities

- Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in Compliance Calendar: Federal Regulatory Reporting Requirements
- Establish universitywide listing of state code requirements and execute plan to assess compliance status
- Support unique compliance needs in the university's areas of health care activity
- Standardize core elements of internal workplace investigations - includes training and policy
- Identify risk owners for enhancing Volunteers Program - explore decentralized risk and accountability model and centralization feasibility for identification; screening; tracking and reporting
- Reconstitute Compliance Advisory Committee or consider Senior Leadership Level Committee to review advanced ethics and compliance metrics geared toward effectiveness and risk ownership, management / intelligence based on a maturity model rating

Government Relations Non-Routine Visits: Continued independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

Policy Program – for all universitywide policies

- Continue providing seminal policy reminders and tips for compliance to broader university community
- Continued gap assessment based on size, scope and complexity of university, and industry trends and standards
- Continued support in policy creation, drafting, revision and required governance processes



VCU

Integrity and Compliance

Continued Participation and Resource Support and Assistance to various ethics and compliance-oriented groups and committees

- National Prominence - Contributing member for University Compliance Leaders Group
- State Prominence - Contributing member to state cohort for E&C work in Higher Education
- Continue serving as the second line of defense support to all operations units with VCU
- Work toward being utilized as a strategic business partner
- Participation and leadership provided to over 15 universitywide committees and taskforces
- Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
- The commitment to internal staff development remains as well as support for maintaining current industry certifications
- Internal Workplace Investigations
 - Oversight of Alleged Misconduct Reports / Non-compliance Issues
 - Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise
- State Regulatory Coordinator (liaison to Commonwealth for VCU)
- Agency Coordinator for Conflict of Interest Disclosures to the Commonwealth

As a reminder, this committee will be receiving the Integrity and Compliance Annual Report at the September 2019 Meeting.

The anticipated effect of providing the upcoming fiscal year's Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of the Ethics and Compliance Program.

This committee has been deemed through enacted Charter to be the appropriate authority to oversee the Ethics and Compliance Program. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Chief Ethics and Compliance Officer.