

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the Audit, Compliance,
and Risk Committee**

September 15, 2022

AUDIT, COMPLIANCE, AND RISK COMMITTEE

Thursday, September 15, 2022

1:30 – 2:15 p.m.

Board Room, The Rotunda

Committee Members:

Thomas A. DePasquale, Chair
Robert M. Blue
Mark T. Bowles
Carlos M. Brown
Louis S. Haddad

Babur B. Lateef, M.D.
Stephen P. Long, M.D.
The Honorable L.F. Payne
Whittington W. Clement, Ex-officio
Adelaide Wilcox King, Faculty Consulting Member

AGENDA

	<u>PAGE</u>
I. REMARKS BY THE COMMITTEE CHAIR (Mr. DePasquale)	1
II. COMMITTEE DISCUSSION	
A. Introduction of Interim Compliance and Privacy Officer for UVA Health (Mr. Gary Nimax, Ms. Annette Norton)	2
B. Institutional Compliance Annual Report (Mr. Nimax)	4
C. Follow Up on Implementation of 2017 Margolis Healy Safety and Security Assessment Recommendations (Ms. Saint and Mr. Timothy Longo)	5
III. WRITTEN REPORTS	
A. UVA Audit Department Report	7
B. Institutional Compliance and Medical Center Compliance Goals for FY22-23	21
C. Enterprise Risk Management Program (Academic Division) Status Report	23
IV. CLOSED SESSION	

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: I. Remarks by the Committee Chair

ACTION REQUIRED: None

BACKGROUND: Mr. Thomas A. DePasquale, the Committee Chair, will open the meeting, welcome guests, and provide an overview of the agenda.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: II.A. Introduction of Interim Compliance and Privacy Officer for UVA Health

ACTION REQUIRED: None

BACKGROUND: Mr. Gary Nimax, Assistant Vice President for Compliance, will introduce Ms. Annette Norton, the Interim Chief Compliance and Privacy Officer for UVA Health. A national search will be conducted to fill the position on a permanent basis, following the recent retirement of Ms. Regina Verde.

Annette Norton

Ms. Norton has over 15 years of experience in healthcare compliance and privacy and is currently serving as the Interim Chief Compliance and Privacy Officer for UVA Health. The majority of her 15 years of experience has been at UVA Health in the Compliance and Privacy Office (Office), starting with the Office in 2005 as a project coordinator. Ms. Norton briefly left UVA in 2017 for a role as Privacy Officer and Research Compliance Officer at Piedmont Columbus Regional in Columbus, Georgia. Ms. Norton returned to UVA Health in 2020 as a Senior Analyst.

Ms. Norton holds a Juris Master focused on Legal Studies/Healthcare from Florida State University College of Law, a Bachelor of Arts in Healthcare Administration from Mary Baldwin College and is a Certified Professional Coder. Ms. Norton is also certified through the Health Care Compliance Association in compliance, privacy, and research.

Chief Compliance and Privacy Officer

The Chief Corporate Compliance & Privacy Officer (CCCPO) directs the planning, execution, monitoring, and evaluation of an effective Compliance Program for all components of UVA Health and serves as a strategic business partner in coordinating those compliance requirements that relate to the clinical enterprise with the School of Medicine and the University Physicians Group (UPG) (the Compliance Program). The Compliance Program is designed to promote adherence to all applicable federal, state, and local laws, regulations, standards, and internal policies and protocols in the conduct of providing patient care, specifically with respect to reimbursement matters. The CCCPO will play a critical role in proactively developing and optimizing relationships throughout the organization, continuing to maintain a culture that actively seeks compliance input to further optimize UVA Health's operations. This executive position serves as a role model for ethical management behavior, promotes an awareness and understanding of positive

ethical principles and compliance with federal and state laws in all areas of the health system, and collaborates with health system legal, regulatory, finance and operations departments to help implement necessary standards and safeguards for compliant operations.

The CCCPO partners with various individuals and offices within the Health System and the Academic Division for both the Compliance Program and the Privacy Program, including but not limited to leadership in Finance and Revenue Cycle/Revenue Integrity, the University Counsel's Office, Audit and Compliance, UPG Compliance and Privacy, Health Information Technology and Information Security, Community Health, as well as others within UVA Health and the University as needed to achieve program objectives.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: II.B. Institutional Compliance Annual Report

ACTION REQUIRED: None

BACKGROUND: One of the institutional compliance goals shared with the Board of Visitors was to rationalize the university’s hotline management processes. Specifically, the compliance team reviewed the current reporting mechanisms in place institution-wide, considered alternatives to simplify and coordinate processes, and determined ways in which to compile and assess data to manage risks. They also identified the need to develop standard reporting and better monitor trends related to compliance concerns.

Leveraging the investment the board made in SafeGrounds, initially conceived to ensure the University’s Title IX processes and workflow would comply with relevant state and federal laws and regulations, the university has moved other compliance areas into the tool.

The compliance function has evolved from a highly decentralized approach to one that will provide management and the board appropriate visibility into compliance risk areas. This is a crucial part of demonstrating that the University has an effective compliance function.

DISCUSSION: Mr. Gary Nimax, Assistant Vice President for Compliance, will review the processes for reporting compliance concerns and managing incidents in SafeGrounds. He also will discuss enhancements to the enterprise-wide compliance reporting on incidents at a high level.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

<u>BOARD MEETING:</u>	September 15, 2022
<u>COMMITTEE:</u>	Audit, Compliance, and Risk
<u>AGENDA ITEM:</u>	II.C. Follow Up on Implementation of 2017 Margolis Healy Safety and Security Assessment Recommendations
<u>ACTION REQUIRED:</u>	None

BACKGROUND: In September 2017, after the events of August 11-12 on Grounds and in Charlottesville, UVA hired Margolis Healy, a professional services firm specializing in safety, security, emergency preparedness, and regulatory compliance, to evaluate the University's safety and security program and processes. Margolis Healy's recommendations were reported to the Board of Visitors in December 2017.

The FY2021-2022 audit plan approved by the Board of Visitors in June 2021 included a follow-up review to assess the status of recommendations in the 2017 Safety and Security Assessment (the Assessment). Note that approximately \$24M has been spent on safety and security improvements since 2017, including those recommended by the consultant.

The Assessment had six recommendations (see below). Margolis Healy's recommendations related to consolidating Medical Center and Academic Division emergency management and threat assessment teams are the more significant recommendations that remain outstanding.

1. Consolidate all campus safety and security functions into one division (partially implemented)
 - a. UPD, Security Systems & Security Services, University Office of Emergency Management (OEM) and Threat Assessment Team (TAT) were consolidated under the AVP for Safety and Security.
 - b. The Fire Safety Program currently housed in Environmental Health and Safety and the Medical Center's Emergency Management and Threat Assessment units do not report to the AVP for Safety and Security.
 - c. A consolidated campus security command center has not been established. Safety and security functions reporting to the AVP are housed in various buildings on Grounds.
2. Evolve crime prevention programming and community relations (partially implemented)
 - a. Three new positions have been added to the crime prevention and community relations program. One of the three new positions is a full-time, civilian Student Engagement coordinator charged with working with the student population.

- b. A documented strategic engagement plan was not developed
- 3. Invest additional resources in Event Management and Coordination (fully implemented)
- 4. Reconsider approach to the physical security program (fully implemented)
- 5. Enhance Emergency Preparedness Operations (partially implemented)
 - a. Communications between UPD and OEM have improved under the consolidated reporting structure. Standard meetings include weekly Department of Safety and Security meetings, monthly meetings with the AVP, and quarterly meetings with UPD, Threat Assessment, Clery Compliance & Youth Protection, Student Affairs, and Information Security.
 - b. Medical Center Emergency Management has not been consolidated into OEM and does not report to the AVP for Safety and Security.
- 6. Improve Threat Assessment Team (TAT) processes (partially implemented)
 - a. The University Director of Threat Assessment hired in 2018 updated University Policy HRM-028: *Preventing and Addressing Threats or Acts of Violence*, revised TAT's mission statement, developed the TAT Standard Operating Procedures, and updated the TAT Website. The Director has been appointed by the AVP to serve as chair of the multidisciplinary Violence Prevention Committee and TAT. However, threat assessment policies and procedures at the Medical Center remain bifurcated from the AVP and TAT.
 - b. The Director of Threat Assessment now reports directly to the AVP instead of to OEM. The Director is a Certified Threat Manager by the Association of Threat Assessment Professionals and maintains a clinical license in behavioral health with over 20 years of clinical practice experience.
 - c. The Director of Threat Assessment has created a centralized database for documenting and managing threats using SafeGrounds. The Medical Center uses SafeGrounds to track compliance and employee relations issues and uses BeSafe Events (QR Track) to document patient and employee safety events that have caused or have the potential to cause a medical error or injury. The Medical Center then determines which safety events in BeSafe Events are reported to TAT for inclusion in SafeGrounds for institutional threat assessment documentation and management.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: III.A. UVA Audit Department Report

BACKGROUND: To facilitate the Committee’s oversight of internal controls, risk management, and compliance, the written report summarizes 1) changes to the approved audit plan (from June 2022 Committee meeting) and audit project status updates, and 2) findings from audits completed during the prior Fiscal Year 2021-2022 (July 1, 2021-June 30, 2022).

1. Status of approved audit plan¹ (updates in bold)

	Division	Audit Topic	Audit Scope
1	UVA Health	Patient Choice Compliance [FY22 Audit – Completed]	Review of medical records to assess whether documentation supports compliance with Medicare’s patient choice required elements
2	UVA Health	Supplies Procurement [FY22 Audit – Completed]	This audit was included on the FY2022 internal audit plan as a follow-up to a 2017 internal audit, which identified multiple issues with the three-way match process. The audit’s purpose was to assess the current three-way match process and determine if the three-way match exceptions are investigated and resolved in a timely manner.
3	UVA Health	Ambulatory Medication Charge Capture [FY22 Audit – Completed]	An evaluation of the medication use process, including drug ordering, dispensing, administration, and waste capture; and charging and billing processes at seven clinics. Testing whether charges were

¹ The FY2022-2023 audit plan was approved by the Board of Visitors, as recommended by the Audit, Compliance, and Risk Committee, at its June 2022 meeting. The table shows progress against the plan as well as status of audits carrying over from the prior (FY2021-2022) plan.

	Division	Audit Topic	Audit Scope
			accurately captured and billed for drugs administered and wasted using data analytics.
4	UVA Health	Joint Commission (JC) Readiness: Performance Improvement Chapter Updates – Gap Analysis [In progress]	Quality program activities specific to the revised Performance Improvement Chapter in the JC Survey Manual. Identify gaps for action to support JC Survey readiness
5	UVA Health	Graduate Medical Education (GME) Program	Internal controls over the key processes for GME programs, such as accuracy of GME data reported on Medicare Cost Reports, validation of rotation schedules, and time and effort reports
6	UVA Health	Charge Capture – Renal Services [In progress]	Internal controls over capture of charges for renal services, including interface controls between clinical system and Epic hospital billing
7	UVA Health	Charge Capture – Interventional Radiology	Same as above for Interventional Radiology
8	UVA Health	Coding Compliance: Implantable Cardiac Devices (ICD) Procedure with Separately Billed ECG	Review medical record documentation for cardiac pacemaker or ICD procedure to validate support for appending modifier 59 to the ECG
9	UVA Health	Physician Transactions (Purchased Services)	Compliance with contract terms and UVA policies, such as contract reviews/approvals
10	UVA Health	Case Management	Case management processes focused on inpatient throughput and preventing excess length of stay
11	UVA Health	UVACH: Controlled Substances Compliance	Compliance with controlled substances DEA regulations at one or more of the UVACH facilities
12	UVA Health	Capture of Complications and Comorbidities (CC) and Major Complications and Comorbidities (MCC)	Evaluate capture of CC/MCC, identify root causes of any gaps, and assess financial impact

	Division	Audit Topic	Audit Scope
13	UVA Health	Contract Management	Controls over contract development, approval, and management
14	UVA Health	Timekeeping/Payroll [In planning]	Controls over timekeeping and payroll accuracy. Potential focus on high-risk areas such as premium pay, traveler payroll
15	UVA Health	UVACH: IRS 501(r) Compliance	Compliance with IRS 501(r) rules applicable to non-profit hospitals, such as community needs analyses and plans, financial assistance program elements, publication and required signage, etc.
16	UVA Health	Cloud-based and Software as a Service (SaaS) Vendor review (IT Audit)	Controls around the onboarding, setup, and establishment of key configurations for Cloud and SaaS based vendors
17	UVA Health	HIPAA Security Risk Assessment Follow-up (IT Audit) [In planning]	Review results of periodic HIPAA security risk assessment and determine if any identified gaps were sufficiently addressed
18	UVA Health	Epic User Role Change Review (IT Audit)	Processes and controls followed when a user changes roles within the UVA Medical Center and determine how that user's access gets updated/changed or revoked accordingly
19	UVA Health	IT Disaster Recovery (IT Audit)	The design and operating effectiveness of the controls established for recovering data and systems during and after an event
1	Academic & UVA Health	Research Data Security (FY22 Audit Plan) [Completed]	Security over IT systems and applications in selected labs
2	Academic	Safety and Security (FY22 Audit Plan) [Completed]	Follow up on implementation status of consultant's safety recommendations
3	Academic	International Operations (FY22 Audit Plan) [Phase 1 completed Phase 2 in progress]	Phase 1: Develop inventory of international activities to determine eventual audit scope. Phase 2: Assess higher

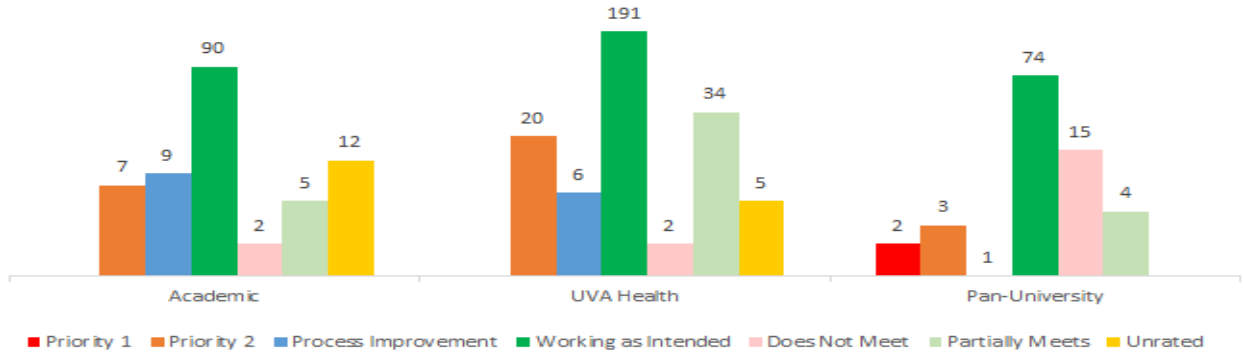
	Division	Audit Topic	Audit Scope
			priority activities identified in Phase 1.
4	Academic	Institutional Data [In progress from FY22 Audit Plan]	Ensure data used in external reporting conveys quality information (complete, accurate, timely, available) for ratings and rankings. (COSO Principle 13)
5	Academic	Student Information System (SIS) Academic Records and IT Controls	Evaluate design and effectiveness of controls over the Student Information System, with a focus on the accuracy and completeness of the source of record for maintaining degree progress data, grade submissions and changes, course substitutions and/or degree requirement exceptions
6	Academic	CARES Compliance – Higher Education Emergency Relief Fund (HEERF I, II, III) – Part 2 (FY23) [In progress]	Evaluate design and effectiveness of controls and processes related to HEERF funds data collection, use, accounting, and reporting
7	Academic	Student Financial Aid: UVA Wise [In planning]	Follow-up on APA findings at UVA Wise
8	Academic & UVA Health	Research - Post Award Administration	Assess effectiveness of post-award controls for selected sponsored awards to ensure compliance with sponsor requirements, regulations, and University policy
9	Academic	School-Level Audit (Pilot) [In planning]	Develop and pilot an audit program to assess effectiveness of key unit/school level controls and processes
10	Academic	Workday Financials Controls Validation	Assess the effectiveness of key financial and access controls post Workday Financials go-live
11	Academic	Workday Benefits Administration [In planning]	Follow-up on KPMG recommendations for the UVA Health Plan

	Division	Audit Topic	Audit Scope
12	Academic	Cloud and SaaS Based Vendor Review (Salesforce Specific Focus)	Evaluate controls over the Salesforce Orgs across UVA to determine: <ul style="list-style-type: none"> • Appropriate IT onboarding, vetting, and periodic access review has been completed and maintained • Salesforce instances have been appropriately configured for a specific unit, department, or school based on data security requirements
13	Academic	Construction Projects: <ul style="list-style-type: none"> • Hotel and Conference Center [In progress] • Football Operations Center [In progress] 	Using an outside expert in construction project management accounting, perform procedures relevant to phases of specified construction projects
14	Academic	University Police Department	Scope to be refined based on results of 2021 CALEA accreditation report
15	Academic	Ransomware Assessment Follow Up (IT Audit)	Determine if the recommendations of the two 2022 Mandiant Purple Team ransomware reports for both the Academic and Health System divisions have been implemented
16	Academic	UVA Health Plan Pharmacy Benefit Rates [Special Project Added to the Plan- Completed]	A special project to evaluate the processes around an unexpected increase in pharmacy claims expenses in the UVA Health Plan.

2. Summary of Audit Findings by Priority Rating in Reports Issued FY 20200 (July 1, 2021, through June 30, 2022)

The table below shows the distribution of rated findings across Academic and UVA Health divisions (note: certain audits span both divisions and are labeled “pan-university.”) See page 10 for the Rating Scale.

Audit Findings by Priority



The table below summarizes findings by priority rating for audits performed during FY2021-2022.

Project Name	Division	Priority Rating for Findings (See Ratings Scale for Definitions)					
		P1	P2	OP	W	DNM	PM
University Advancement Services Third-Party Payment Processing (3 unrated)	Academic						
Confidential Investigation (3 unrated)	Academic						
Cash Deficit Management	Academic		3	2	2		
COVID – Related Relief Funds	Academic		1		5		
Records Transfer Process to University Archives (1 unrated)	Academic						
Hospital Expansion Project Closeout	Academic			2			
Distributed Information Security Management (DISM ²) – Batten School	Academic				29	2	2

Project Name	Division	Priority Rating for Findings (See Ratings Scale for Definitions)					
		P1	P2	OP	W	DNM	PM
DISM – School of Data Science	Academic				32		3
Department of Student Health and Wellness*	Academic		3	3	2		
NCAA Compliance – Athletics* (3 unrated)	Academic			2	20		
School of Medicine Research* (2 unrated)	Academic						
Patient Collections	UVA Health		1				
Radiation Oncology Charge Capture	UVA Health		1		7		
Monticello Community Surgery Center (5 unrated)	UVA Health						
DISM – School of Nursing	UVA Health				25	2	14
DISM – School of Medicine (5 units assessed)	UVA Health				116		20
Point of Service Collections	UVA Health		2		7		
Emergency Department (ED) Evaluation and Management (E/M) Levels	UVA Health		1	1			
Status Assignment	UVA Health			1	7		
Controlled Substances Compliance Follow-up	UVA Health		6		23		
Patient Choice Compliance – Transitional Care Hospital	UVA Health		1				
Medical Center Supplies Procurement	UVA Health		3		1		

Project Name	Division	Priority Rating for Findings (See Ratings Scale for Definitions)					
		P1	P2	OP	W	DNM	PM
Ambulatory Clinics Medication Charge Capture	UVA Health		5	4	5		
Cyber Maturity Assessment Follow-up	Pan-University				26	1	4
OMB Flexibilities for Research*	Pan-University	2	1	1			
Mandiant Active Directory Follow-up	Pan-University				38	14	
Research Data Security	Pan-University		2		10		
Total (17 unrated)		2	30	16	355	19	43

* Audit conducted under Attorney-Client Privilege

² 50 IT controls based on UVA IT policies and ISO 27002-2013 are examined in each DISM audit.

Rating Scale		
P1	Priority 1	A Priority 1 item signifies a control and/or process deficiency of sufficiently high risk that it provides minimal or no assurance that institutional objectives will be achieved. Management must take immediate corrective action to mitigate Priority 1 deficiencies.
DNM	Does Not Meet	An IT control that is not in place or is ineffective to achieve the relevant IT controls framework (e.g., ISO-27002-2013) requirement
P2	Priority 2	A Priority 2 item signifies a control and/or process deficiency that hinders the effectiveness and efficiency of unit level operations, potentially impeding the attainment of institutional objectives. Management must take timely corrective action to mitigate Priority 2 deficiencies.
PM	Partially Meets	An IT control that meets some, but not all, of the relevant IT controls framework (e.g., ISO-27002-2013) requirement
OP	Process Improvement	A process improvement item signifies an opportunity to achieve additional control and/or process efficiencies.
W	Working	Control tested or process evaluated is working as designed

Summary of Fiscal Year 2021-2022 Findings

The table below summarizes key findings requiring action plans to remediate controls issues, as communicated in audit reports issued during Fiscal Year 2021-2022 and through beginning of Fiscal Year 2022-2023 (July 2022).

Audit	Summary of Findings
<p>Cash Deficit Management</p> <p>3</p> <p>3 Priority 2 (P2) Rated Findings</p>	<p>The audit identified the need to enhance policies around project-level cash deficit management, improve the follow-up of known deficits, and to correct unresolved posting errors.</p>
<p>COVID-Related Relief Funds</p> <p>1</p> <p>1 Priority 2 (P2) Rated Finding</p>	<p>Two discrepancies were noted in the accuracy of information posted by UVA on its Emergency Federal Relief Funds website. As a result of the audit, both discrepancies were corrected.</p>
<p>Hospital Expansion Construction Audit: Project Closeout</p> <p>2</p> <p>2 Performance Improvement opportunities</p>	<p>The closeout audit did not identify any major billing errors or overcharges in the Construction Manager’s (CM) Pay Applications. The audit analyzed reason codes assigned to explain budget growth in final building packages. Recommendations were made to improve the definitions for reason codes and enhance the utility of the codes to explain the underlying causes for budget expansion.</p>
<p>Distributed Information System Management (DISM) – Batten School</p> <p>2 2</p> <p>2 Does Not Meet (DNM) and 2 Partially Meets (PM) IT Control Findings</p>	<p>We evaluated controls based on UVA IT policies, which are grounded in ISO/IEC27002:2013 <i>Information Technology -- Security Techniques -- Code of Practice for Information Security Controls</i> (ISO). Of the 50 controls assessed, 29 of met the requirements of the relevant University policy; 2 partially met those requirements; and 2 controls tested did not meet UVA’s policy requirements. Seventeen (17) controls did not apply at the Batten School unit level.</p>
<p>DISM – School of Data Science</p> <p>3</p>	<p>We evaluated controls based on UVA IT policies, which are grounded in ISO/IEC27002:2013 <i>Information Technology -- Security Techniques -- Code of Practice for Information Security Controls</i> (ISO). Of the 50 controls assessed 32 met the requirements of the relevant</p>

Audit	Summary of Findings
3 Partially Meets (PM) IT Control Findings	University policy; 3 partially met those requirements. Fifteen (15) controls did not apply at the School of Data Science unit level.
DISM – School of Nursing <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: red; color: white; padding: 2px 5px;">2</div> <div style="background-color: yellow; padding: 2px 5px;">14</div> </div> 2 Does Not Meet (DNM) and 14 Partially Meets (PM) IT Control Findings	We evaluated controls based on UVA IT policies, which are grounded in ISO/IEC27002:2013 <i>Information Technology -- Security Techniques -- Code of Practice for Information Security Controls</i> (ISO). The audit found 25 of the possible 50 controls assessed met the requirements of the relevant University policy; 14 partially met those requirements; and 2 controls tested did not meet UVA’s policy requirements. Nine (9) controls did not apply at the School of Nursing unit level.
DISM – School of Medicine (5 units assessed) <div style="background-color: yellow; padding: 2px 5px; display: inline-block;">20</div> 20 Partially Meets (PM) IT Control Findings	We evaluated controls based on UVA IT policies, which are grounded in ISO/IEC27002:2013 <i>Information Technology -- Security Techniques -- Code of Practice for Information Security Controls</i> (ISO). The School of Medicine has disseminated the management of IT assets across various departments and lacks a management structure for effective IT governance and oversight . This lack of structure and management oversight impeded our ability to fully assess the School’s IT environment. The controls we could not assess were in critical areas, such as defining accountability for information security responsibilities, segregation of IT duties, controlling access to systems and data, managing the development of new systems, and incident identification and response. As a result, we concluded the SOM faces an elevated level of risk for an IT control failure, such as a data or network breach, inappropriate access to systems, or loss of institutional data.
Patient Collections <div style="background-color: yellow; padding: 2px 5px; display: inline-block;">1</div> 1 Priority 2 (P2) Rated Finding	The process for reconciling patient statements sent to a third-party vendor for printing and mailing was found to be ineffective. However, Revenue Cycle strengthened the reconciliation process while the audit was in progress, enabling Internal Audit to validate the new process was working effectively.
Radiation Oncology Charge Capture <div style="background-color: yellow; padding: 2px 5px; display: inline-block;">1</div>	Standard Operating Procedures for the reconciliation of charges interfaced between the Radiation Oncology

Audit	Summary of Findings
1 Priority 2 (P2) Rated Finding	system (Mosaic) and the Epic billing system were not formally documented. Management initiated corrective actions.
Point of Service Collections 2 Priority 2 (P2) Rated Findings and 1 Opportunity for Improvement (OP)	We assessed the policies, procedures and controls around identifying and collecting patient copays at the point of service. We found that financial performance and cash flow could be strengthened through improved collection of copays at the point of service. UVA Health had not established a formal policy or performance goals for this activity.
ED E/M Levels 1 Priority 2 (P2) Rated Finding	Gaps were identified in the UVA Health E/M Leveling Guidelines, which caused difficulty validating the E/M level assigned to 35 of the 150 cases. UVA Health will review and update the E/M Leveling Guidelines to meet the CMS expectations that facility guidelines be usable for compliance and audit purposes and result in coding decisions that can be verified by other hospital staff and outside resources. UVA Health will also review current specifications for E/M level assignment and update the point calculation criteria, to better conform the UVA Health Guidelines to the CMS principles.
Status Assignment 1 Opportunity for Improvement (OP)	This audit assessed processes and controls supporting the appropriate level of care (patient status) to inpatients, which relates to several CMS billing regulations. For the cases reviewed, UVA Health demonstrated strong adherence to the established procedures. One opportunity for improvement of documentation was identified.
Cyber Maturity Assessment Follow-up 1 Does Not Meet (DNM) and 4 Partially Meets (PM) IT Control Findings	The audit followed up on the status of recommendations made by KPMG in its 2019 cyber security program maturity assessment and incident response review. The scope of the 2019 review, and our follow up procedures, encompassed University of Virginia’s Academic and Health System IT infrastructures. We observed 28 of the 33 recommendations (~85%) have been appropriately actioned. The remaining 4 (~12%) recommendations flagged in the report as “partially

Audit	Summary of Findings
	<p>meets" are in the process of being fully remediated, with a target completion by the end of the current calendar year. One item (~3%) was flagged as 'Does Not Meet' and is targeted to be addressed by August of 2022.</p>
<p>Mandiant Active Directory Follow-up</p> <p>14</p> <p>14 Does Not Meet (DNM) IT Control Findings</p>	<p>The audit followed up on the status of recommendations made by Mandiant in its 2020 assessment of the University's Microsoft Active Directory implementation. We selected four departments from the original report and evaluated one critical-rated finding and 69 high-rated findings. We observed 37 recommendations have been appropriately actioned (53%), 19 recommendations are no longer applicable (27%), and 14 recommendations (20%) were rated 'Does Not Meet'. These remaining recommendations are targeted for completion by December 2023.</p>
<p>Research Data Security</p> <p>2</p> <p>2 Priority 2 (P2) Rated Findings</p>	<p>The audit identified a need to 1. develop and implement specific security controls responsibilities for PIs who operate in the distributed research environment, and 2. ensure PIs and researchers conduct data security activities as required by policy and data management plans (as applicable) through active monitoring.</p>
<p>Controlled Substances Follow-up</p> <p>6</p> <p>6 Priority 2 (P2) Findings</p>	<p>This audit was a follow-up to an audit conducted in late 2019, which noted several significant issues. We found that 75% of the prior action plans were sustained and 25% were not. The audit also identified 11 new areas where controls could be strengthened. Pharmacy leadership plans to implement action plans addressing the findings by September 30, 2022.</p>
<p>Patient Choice Compliance – Transitional Care Hospital</p> <p>1</p> <p>1 Priority 2 (P2) Rated Finding</p>	<p>Testing of the medical records found inconsistent documentation of several required elements of patient choice, including the discussion of facility quality measures and disclosure of UVA's financial interests in facilities. Management will develop staff training, a standard of work for discharge planning and implement a self-audit process by October 31, 2022.</p>
<p>Medical Center Supplies Procurement</p>	<p>This project was a follow-up to a 2017 audit. Since the 2017 audit, improvements were noted in the accounts payable process. The Medical Center has an opportunity</p>

Audit	Summary of Findings
<p>3</p> <p>3 Priority 2 (P2) Findings</p>	<p>to build upon the improvements achieved and strengthen fiscal sustainability by implementing the standard workflows designed during the Bridge Plan initiatives, including the monitoring controls and performance metrics for three-way match exceptions. Management will complete the action plans associated with this report by August 2022.</p>
<p>Ambulatory Clinics Medication Charge Capture</p> <p>5 4</p> <p>5 Priority 2 (P2) and 4 Opportunities for Improvement (OP)</p>	<p>The medication use and inventory management processes were functioning at the UVA Health Outpatient Clinics, however there were opportunities for improvement in the areas of inventory documentation, medication administration documentation, segregation of inventory management duties, medication security, and medication administration and charge reconciliation. UVA Health Management has committed to strengthening the internal controls for the medication use and inventory management processes through the completion of the action plans by September 30, 2022.</p>
<p>Department of Student Health and Wellness*</p> <p>3 3</p> <p>3 Priority 2 (P2) and 3 Opportunities for Improvement (OP)</p>	<p>Management initiated remedial actions for issues identified during the audit (conducted under Attorney-Client Privilege).</p>
<p>Monticello Community Surgery Center</p> <p>Findings were not rated</p>	<p>This assessment identified significant gaps in the design of controls across all business functions reviewed. There is an elevated potential for operational disruption, particularly in the revenue cycle and materials management processes.</p>
<p>NCAA Compliance – Athletics*</p>	<p>Management initiated remedial actions for issues identified during the audit (conducted under Attorney-Client Privilege).</p>
<p>Consultation: Records Transfer Process to University Archives</p>	<p>Management adopted improved procedures to provide accountability for transfers from Records and Information Management.</p>
<p>Investigation: Vendor Invoice Approval Controls*</p>	<p>Management initiated process improvements for issues identified during the audit (conducted under Attorney-Client Privilege).</p>

Audit	Summary of Findings
OMB Flexibilities for Research*	Management initiated process improvements for issues identified during the audit (conducted under Attorney-Client Privilege).
School of Medicine Research*	Management initiated remedial actions for issues identified during the audit (conducted under Attorney-Client Privilege).

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: III.B. Institutional Compliance and Medical Center Compliance Goals for FY22-23

ACTION REQUIRED: None

**Institutional Compliance Goals
Fiscal Year 2022-2023**

1. **Helpline Optimization:** Continue to coordinate institution-wide reporting mechanisms and manage compliance-related incidents in a single platform to include the following: expand marketing of the compliance helpline and web intake form, develop a mechanism to provide follow-up with anonymous reporters on cases, and enhance the institutional reporting in SafeGrounds to create more effective analysis and monitoring of compliance concerns.
2. **Compliance Risk Assessment:** Update the integrated assurance risk assessment, based on the items listed on the compliance matrix, to identify which items represent the highest institutional risks. Items will be scored, in consultation with Medical Center Compliance and University Counsel, based on legal risk, operational risk, reputational risk, mitigation efforts, regulatory scrutiny, and cross functionality.
3. **Conflict of Interest:** Convene key stakeholders across Grounds to identify current gaps in the University’s current portfolio of COI programs; explore possible strategies for developing a future comprehensive COI program.

**Medical Center Compliance Goals
Fiscal Year 2022-2023**

1. **Compliance Risk Assessment:** We will perform a biannual comprehensive Compliance Risk Assessment to evaluate potential risk areas with operational, financial, reputational and/or stakeholder impact using the framework of the Office of Inspector General (OIG) elements of an effective compliance program. We will use a five-stage process of evaluating the potential risks to include: risk identification; risk ranking; risk prioritization; work plans; and results and action plans.

2. **End of the Public Health Emergency:** We will evaluate and mitigate compliance risks stemming from the end of the Public Health Emergency (PHE), which was declared by the Secretary of the Department of Health and Human Services in January 2020; the PHE will likely end during late 2022. During the PHE, flexibilities and waivers issued gave the federal government flexibilities to temporarily waive or modify certain requirements in a range of areas, including the Medicare, and Medicaid programs in responding to COVID-19. A particular area of focus will be on Medicare telehealth services. How the patient receives telehealth services, as well as where the services originate, will revert to restrictions that were in place prior to the PHE.

3. **Compliance and Privacy Office Staffing:** The role of Chief Compliance and Privacy Officer is currently vacant as Regina Verde retired from this position on July 8, 2022. The role is currently being filled in an interim role by another staff member. A national search will be conducted to fill this position. The staff will prioritize projects and share duties to meet the needs of UVA Health during the vacancy.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

<u>BOARD MEETING:</u>	September 15, 2022
<u>COMMITTEE:</u>	Audit, Compliance, and Risk
<u>AGENDA ITEM:</u>	III.C. Enterprise Risk Management Program (Academic Division) Status Report
<u>ACTION REQUIRED:</u>	None

BACKGROUND: The Enterprise Risk Management program continues to progress and is presently engaged with two separate working groups. The first group, led by the Operational Excellence Working Group, is preparing a report entitled “Future State of Work” which contemplates the risks associated with acquiring, retaining, and managing faculty and staff in the post-pandemic environment. The draft of this report will be shared with the Risk Management Network in the fall and submitted to the Board of Visitors in late 2022 or very early 2023.

The second group, led by the Safety and Security Working Group, will focus on risks to the University’s ability to provide a safe and welcoming environment for its students, faculty, and staff. Work on this topic will continue through the winter, with a report to the Risk Management Network scheduled for Spring of 2023, and submission to the Board of Visitors by mid-year 2023.

Other operational issues of note include:

- On-going discussions of emerging risk by the Risk Management Network, including re-rankings in light of developing economic conditions;
- The semi-annual follow-up meeting of the Fiscal Sustainability Working Group is scheduled for September 20th. The group will revisit its prior risk ratings and identify emerging risk trends;
- The ERM team migrated its risk registers and sub-risk registers to a cloud-based solution, On-Spring, and is working on ways to create efficiencies on reporting and mapping; and
- The Risk Management Network has on-boarded a new member, Brie Gertler, Vice Provost for Academic Affairs.