



Board of Visitors
Audit, Compliance, and Risk Committee
September 2017



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Mavredes,
Auditor of
Public
Accounts



Enterprise Risk Management Update

FY18 ERM Goals

- Expand dialogue around risks
- Update key risk lists
- Strengthen alignment with planning and audit cycles
- Strengthen risk mitigation plans

Expand Dialogue Around Risks

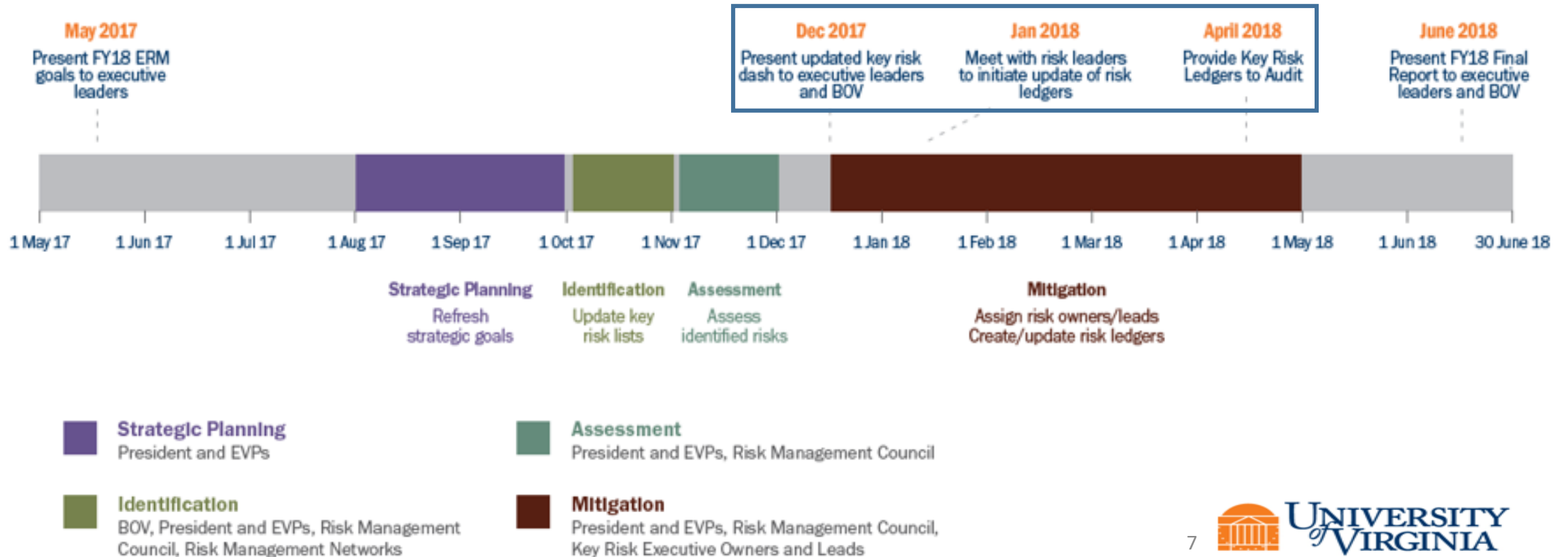
- Engage BOV members in risk mitigation discussions
- Map key risks to relevant BOV committee(s)
- Connect BOV committee chair(s) with executive owners and risk leads

Update Key Risk Lists

- Utilize ERM network to identify emerging risks
- reassess current top risks along with emerging risks
- Identify positive or “upside” risks

Strengthen Alignment With Planning and Audit Cycles

ERM Timeline



Strengthen Risk Mitigation Plans

- Bring together risk leads for collaborative learning
- Begin to define risk appetite to inform risk parameters and risk taking
- Incorporate BOV feedback into risk mitigation plans



Cost of Legal and Regulatory Compliance

**Board of Visitors
Audit, Compliance, and Risk Committee
September 14, 2017**

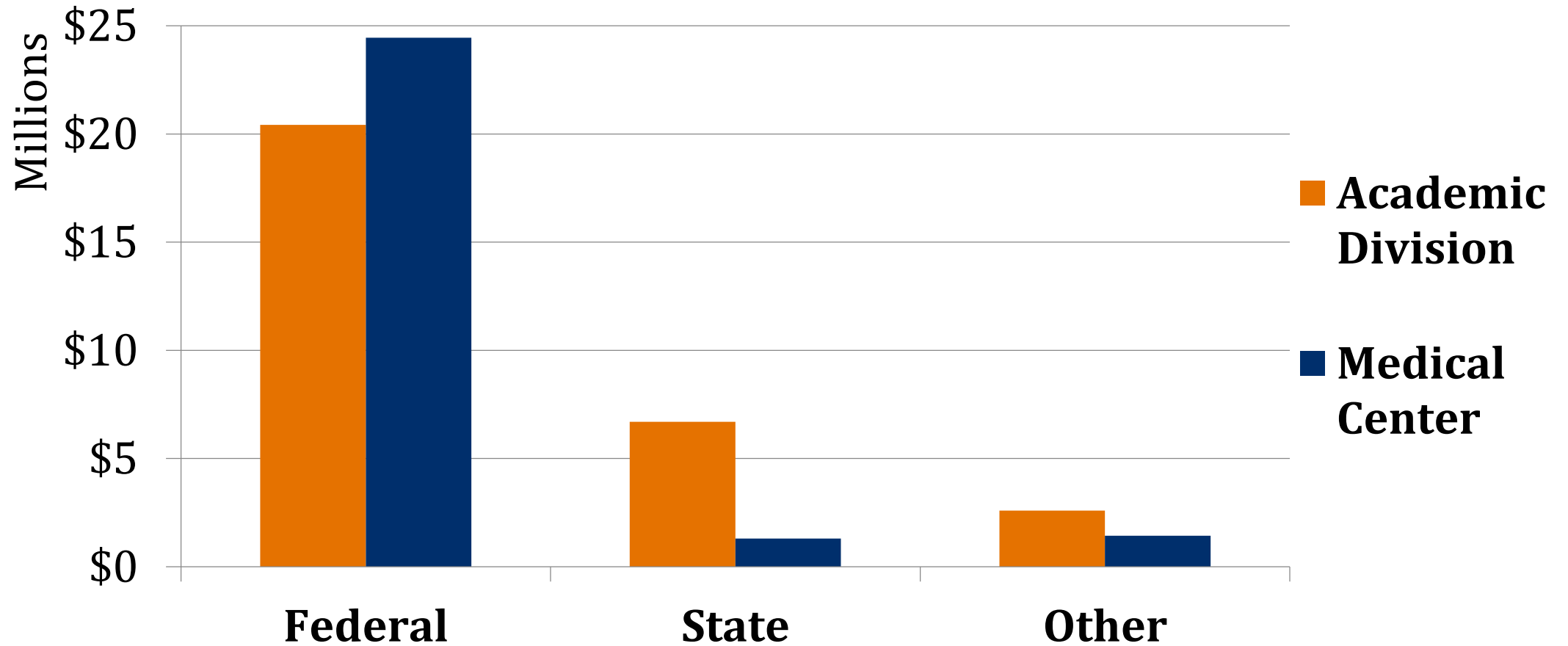
UVA Responses to Recent Inquiries

- U.S. House Oversight Committee/Virginia DPB (Jan 2017)
 - **Medical Center (Agency 209) response: \$31 million**
 - **Academic Division (Agency 207) response: \$19 million**
- Responses from peer institutions
 - **Virginia Tech: \$29 million**
 - **Virginia Commonwealth University: \$13 million**
 - **James Madison University: \$10 million**

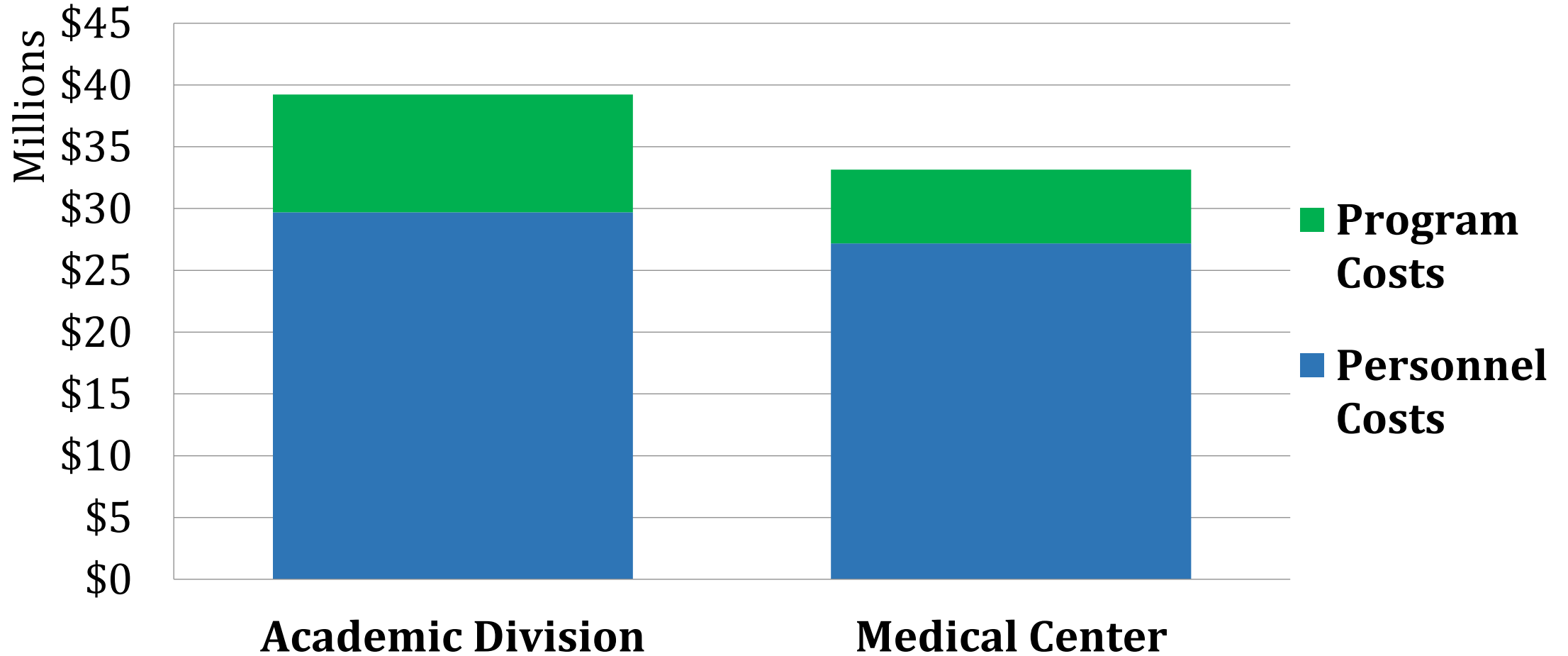
UVA Cost Survey Parameters

- Personnel costs of staff with some degree of responsibility for compliance activities:
 - Managing day-to-day responsibilities for compliance
 - Developing and updating policies and procedures
 - Conducting compliance training
 - Preparing and compiling required reports
 - Monitoring activities and investigating non-compliance
- Program-specific costs such as:
 - Compliance software, training materials
 - Printing and mailing required reports
 - External services (consultants, investigators)
- Estimated ten-year increase in compliance costs

Personnel Costs: \$556 million



Total Costs: \$72 million



UVA Survey Results (in 2017 dollars)

<i>(all costs in millions)</i>	<i>Academic Division (286 FTE)</i>	<i>Medical Center (273 FTE)</i>	<i>TOTAL (559 FTE)</i>
Personnel Costs	\$29	\$27	\$56
Program Costs	<u>\$10</u>	<u>\$6</u>	<u>\$16</u>
Costs in 2017	\$39	\$33	\$72
Costs in 2007	<u>\$27</u>	<u>\$28</u>	<u>\$55</u>
10 Year Increase	\$12	\$5	\$17
<i>Increase from 2007 to 2017</i>	44%	18%	31%

Note: Major drivers of increase are growth in research, Title IX/Clery, Medical Center billing/coding, and pharmacy

UVA Survey Results

Next Steps

- Monitor changes in compliance requirements
- Track impact on future costs
- Compare data with peers as available