



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

March 3, 2022

MEMORANDUM

TO: The Audit, Compliance, and Risk Committee:

Babur B. Lateef, M.D., Chair
Thomas A. DePasquale, Vice Chair
Robert M. Blue
Mark T. Bowles
L. D. Britt, M.D.
Barbara J. Fried
Louis S. Haddad
L.F. Payne
Whittington W. Clement, Ex Officio
Adelaide Wilcox King, Faculty Consulting Member

and

The Remaining Members of the Board:

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|-----------------------|----------------------------------|
| Carlos M. Brown | James B. Murray Jr. |
| Frank M. Conner III | C. Evans Poston Jr. |
| Elizabeth M. Cranwell | James V. Reyes |
| Robert D. Hardie | Joel W. Hockensmith, Faculty Rep |
| Angela Hucles Mangano | Sarita Mehta, Student Rep |

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit, Compliance, and Risk Committee on March 3, 2022

The Audit, Compliance, and Risk Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 1:30 p.m., on Thursday, March 3, 2022. Babur B. Lateef, M.D., Chair, presided.

Committee members present: Whittington W. Clement, Robert M. Blue, Mark T. Bowles, L.D. Britt, M.D., Barbara J. Fried, Louis S. Haddad, L.F. Payne, and Adelaide Wilcox King

Committee members absent: Thomas A. DePasquale.

Robert D. Hardie, James B. Murray Jr., C. Evans Poston Jr., James V. Reyes, and Sarita Mehta also were present.

Present as well were James E. Ryan, Ian B. Baucom, Jennifer Wagner Davis, K. Craig Kent, M.D., Susan G. Harris, Donna P. Henry, Michael J. Citro, Megan K. Lowe, David W. Martel, Clark L. Murray, Debra D. Rinker, Margot M. Rogers, and Jasmine Yoon.

Presenters were Carolyn D. Saint, Sean Jackson, and Ariel Johnson-Peredo.

Dr. Lateef welcomed everyone to the meeting. He said the agenda was focused on how UVA assesses IT risks and the process for refreshing the audit plan, which will be reviewed and approved at the June meeting. He then offered his thanks to the Audit team for the work they performed to develop a current state cost analysis of undergraduate student advising. He said he shared the same passion the other Board members have about access to advising that sets up students for success at UVA and in life. He said Provost Baucom and his colleagues will talk more in-depth about their task force's recommendations in the Academic and Student Life Committee. He then shared a few insights from the cost analysis for context in that discussion:

- The team did extensive peer research before starting the Audit work but did not find any relevant benchmarks. He said no one else has undertaken this type of analysis.
- Advising is highly decentralized, with few specific programs/activities that are separately budgeted and accounted for, making the costing exercise a challenge.
- Three categories of advising: 1) academic advising; 2) career advising; and 3) personal advising were included in the cost analysis.
- The team developed an inventory of over 100 undergraduate advising programs and activities based in schools and central offices across UVA.
- The team estimated the total cost of undergraduate advising to fall in a range between \$31M and \$40M. He said they relied on actual cost data combined with assumptions around faculty and staff effort. Costs were grouped into school specific and pan-University programs. School specific accounted for about 75% of the total costs. The estimate is not precise, but they believe it to be directionally correct.
- The largest component of the cost effort is assumptions about faculty effort at \$19M. The cost estimate includes both formal (required each semester) and the informal component of faculty advising.

Dr. Lateef said he, Barbara Fried, and Sarita Mehta were briefed on Monday on the Provost's working group recommendations; they are very supportive of actions to be taken to begin implementing improvements.

He then turned the meeting over to Carolyn Saint to introduce Sean Jackson and Ariel Johnson-Peredo.

UVA Audit Department Report: Strategic Staffing: Co-Sourcing Information Technology Audits with Ernst & Young

Ernst & Young consultant Sean Jackson said his team has worked closely with Ms. Saint and her team over the past few months and he is grateful for the time and attention of the many IT leaders on Grounds. His colleague, Ariel Johnson-Peredo, spoke about IT audit risk trends they have seen broadly across higher education. She said they work closely with the U.S. Department of Defense, various intelligence agencies, as well as some of the larger technology firms, which give them an excellent perspective regarding higher education. There has been an increase in complex security attacks, especially ransomware, phishing, privileged access credential abuse, and end point security attacks. They are focused on simplification and automation of key cyber activities,

improving the mean time to detect and respond to a cyber incident, and assuring the security of trusted third parties. She explained the Cybersecurity Maturity Model Certification (CMMC) which will have direct impacts to federally funded research, development centers, and university affiliated research centers. The increased digital response as a result of the pandemic has caused organizations to focus on cyber specific controls as a secondary step in the process only after they have adopted new technologies to increase the digital response to the new remote/hybrid way of working.

Ms. Johnson-Peredo said with the implementation of Workday Financial, there are certain inherent risks that can be assessed in follow-on IT audits. They find having a defined process governing change management helps speed issue resolution. Paying close attention to the interfaces by having appropriate controls and procedures in place will enhance security and data integrity.

UVA Audit Department Report: Approach for Updating Risk Based Audit Plan Topics for Committee Review and Approval

Ms. Saint said they present a risk-based audit plan for the committee's review and approval at the June meeting each year. They will bring a two-year view of risk topics with the idea that they will periodically update their perspective on risks and priorities to keep the audit plan relevant. The list of stakeholders is long and includes leaders from human resources, information technology, finance, legal, the provost's office, medical center revenue cycle, clinical leaders, the Office of Sponsored Programs, etc. Supplementing stakeholder interviews, they scan the horizon for risks and audit plan topics with higher education colleagues, global audit and consulting firms, Gartner, the network of chief audit executives in the Ivy Plus group, and the daily news cycle. Once these steps are completed, they prepare a draft audit plan which they review with university leaders, the audit committee chair, and ultimately, the Audit committee. She invited the committee members to provide input at any point in the process.

Dr. Lateef encouraged the committee members to reach out to him or Ms. Saint to discuss topics for consideration in the audit plan for next fiscal year. He noted that the June committee meeting will have a packed agenda.

The chair adjourned the meeting at 1:55 p.m.

SGH:ddr

These minutes have been posted to the University of Virginia's Board of Visitors website:
<http://bov.virginia.edu/committees/181>