

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

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

September 13, 2024

AUDIT, COMPLIANCE, AND RISK COMMITTEE

Friday, September 13, 2024

9:45 – 10:45 a.m.

Board Room, The Rotunda

Committee Members:

Rachel W. Sheridan, Chair

Porter N. Wilkinson, Vice Chair

Robert M. Blue

Carlos M. Brown

The Honorable Paul C. Harris

Paul B. Manning

David O. Okonkwo, M.D.

The Honorable L.F. Payne

Robert D. Hardie, Ex-officio

Adelaide W. King, Faculty Consulting Member

AGENDA

	<u>PAGE</u>
I. REMARKS BY THE COMMITTEE CHAIR (Ms. Sheridan)	1
II. COMMITTEE DISCUSSION	
• UVA and UVA Health Compliance and Privacy Programs Annual Report (Mr. Gary Nimax and Ms. Krista Barnes)	2
III. WRITTEN REPORTS	
A. Office of Audit and Compliance: Audit Department Report: FY2024 Year-End Review	4
B. Institutional Compliance and Medical Center Compliance Goals for FY2024: Year-End Status Report	24
IV. CLOSED SESSION	
• Discussion of performance of specific employees.	
• Consultation with University Counsel to receive legal advice related to compliance risk assessments performed under Counsel's direction.	
• Discussion of proprietary, business-related information about the operations of the Medical Center where disclosure at this time would adversely affect its competitive position specifically:	
- Strategic financial considerations and efforts in light of market and regulatory changes for the Health System and expected impact for FY2024, which further the strategic initiatives of the Medical Center and include proprietary metrics.	
• Discussion or consideration of the investment of public funds in an enterprise resource planning (ERP) financial system where competition or bargaining is involved, where, if made public initially, the financial interest of the University of Virginia and UVA Health would be adversely affected.	

- The relevant exemptions to the Virginia Freedom of Information Act authorizing the discussions described above are provided for in Section 2.2-3711(A)(1), (6), (8), and (22) of the Code of Virginia.

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

BOARD MEETING: September 13, 2024

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: I. Remarks by the Committee Chair

ACTION REQUIRED: None

BACKGROUND: Ms. Rachel Sheridan, the Committee Chair, will open the meeting, welcome guests, and provide an overview of the agenda.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGEND7A ITEM SUMMARY**

<u>BOARD MEETING:</u>	September 13, 2024
<u>COMMITTEE:</u>	Audit, Compliance, and Risk
<u>AGENDA ITEM:</u>	II.A. Institutional Compliance Annual Report
<u>ACTION REQUIRED:</u>	None

BACKGROUND: One of the institutional compliance goals shared with the Board of Visitors was to optimize 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.

The compliance team has leveraged the investment the board made in SafeGrounds, a central incident management system used by multiple departments to handle reports received by both the academic division and UVA Health, to more effectively manage the university’s compliance with relevant federal, state, and other regulatory requirements.

The institutional compliance function has evolved from a highly decentralized approach to one in which compliance subject matter experts coordinate efforts to address concerns and provide appropriate visibility into compliance risk areas. This is a crucial component of demonstrating that the university has an effective compliance function.

DISCUSSION: Mr. Gary Nimax, Assistant Vice President for Compliance, will share information regarding the structure and governance of the institutional compliance program and review details about the Compliance Helpline and other reporting mechanisms for which incidents are managed in SafeGrounds.

Ms. Krista Barnes, Corporate Compliance and Privacy Officer for the Health System, will provide additional information about the compliance program managed by her office.

Mr. Gary Nimax has served as the Assistant Vice President for Compliance at the University of Virginia since 2013. He chairs the institutional Compliance Network, comprised of subject-matter experts from the University's major compliance areas who work together to manage the university’s compliance with federal, state, and other regulatory compliance requirements. He started his career at the university in 1989 as a buyer in the medical center, before becoming the Assistant Director of Procurement Services for the academic division. He was promoted to positions as a team lead on the university’s Oracle software implementation, coordinator of process simplification, and the Assistant Vice President responsible for the administration of university-related foundations. Mr. Nimax recently completed a four-year term as president of the board of the Osher Lifelong Learning Institute (OLLI), a non-profit organization that is one of the university’s related foundations.

He earned his undergraduate degree from UVA and his Master of Business Administration from James Madison University. He obtained his professional certification as a Certified Compliance and Ethics Professional (CCEP) through the Society of Corporate Compliance and Ethics.

Ms. Krista Barnes is UVA Health's Chief Corporate Compliance and Privacy Officer. She provides strategic direction for UVA Health's Compliance program, and partners with the Directors of Compliance and Privacy for UVA Health (Annette Norton) and UVA Community Health (Nicolette Meister) in managing the day-to-day operations of the UVA Health Compliance program. The UVA Health Compliance team works within the organization to promote compliance with the large body of laws and regulations that apply to health care providers (particularly Medicare and privacy rules), through training, guidance, policy formulation, investigations, internal reviews, and risk assessment and mitigation.

An experienced leader, Ms. Barnes comes to UVA Health from the University of Texas MD Anderson Cancer Center in Houston, where she served as associate vice president and deputy chief compliance officer. In her role, she oversaw institutional compliance attorneys and teams responsible for compliance in privacy and information security, billing and reimbursement, research, data governance, conflicts of interest, and ethics. She also served as the senior legal officer and director for MD Anderson's Privacy and Information Security Compliance and Billing and Reimbursement Compliance programs. Ms. Barnes has more than 20 years of experience in healthcare regulatory compliance, and worked in the health law groups at various national law firms prior to working at MD Anderson. She earned her B.A. in psychology from Rice University, and her J.D. from the Duke University School of Law.

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

BOARD MEETING: September 13, 2024

COMMITTEE: Audit, Compliance, and Risk

AGENDA ITEM: III.A. Office of Audit and Compliance Audit Department FY2024 Year End Review

BACKGROUND: To facilitate the Committee’s oversight of internal controls, risk management, and compliance, the written report summarizes UVA Audit’s work in progress for the current period and FY2024 activities.

- 1) Summary of current audit activities (FY2025 year to date)
- 2) Summary of findings issued since prior written report (covers May 1, 2024 through August 9, 2024)
- 3) Summary of past due and extended management action plans
- 4) Final report on prior year approved audit plan
 - a. Completed audits for FY2024
 - b. Detailed status of all approved audit plan topics for FY2024
 - c. Summary of audit findings for FY2024

1. Summary of Current Audit Activities (July 1-August 9, 2024)

Audit Projects Completed:

- UVA Community Health Attorney-Client Privileged audit

Audit Report Updated and Reissued:

- An action plan was agreed to for the Priority 1 finding related to financial sustainability in the McIntire School of Commerce audit. “To create a bridge to sustainability, the school and central University have agreed to a plan that includes but is not limited to growth in revenue-generating academic programs, cost management, and temporary support from the Office of the Provost.” Details are available in the reissued report.

Audits in Progress:

- 7 audits underway (4 Academic Division; 3 UVA Health)

Audit Deferred:

- Insurance Verification and Pre-Authorization (UVA Health)

Value Added Activities (Ongoing)	Personnel Update
<p>Audit Department Support for University Committees and Initiatives:</p> <ul style="list-style-type: none"> • Leadership Advisory Team member, Fiscal Operations Alignment Program 	<p>Hiring for 2 open senior auditor roles on the Academic and UVA Health audit teams.</p>

<ul style="list-style-type: none"> • Member of Policy Review Committee (Academic Division) • Member of Enterprise Risk Management Network (Academic Division) • Member of IT Security Advisory Committee (Academic Division) 	
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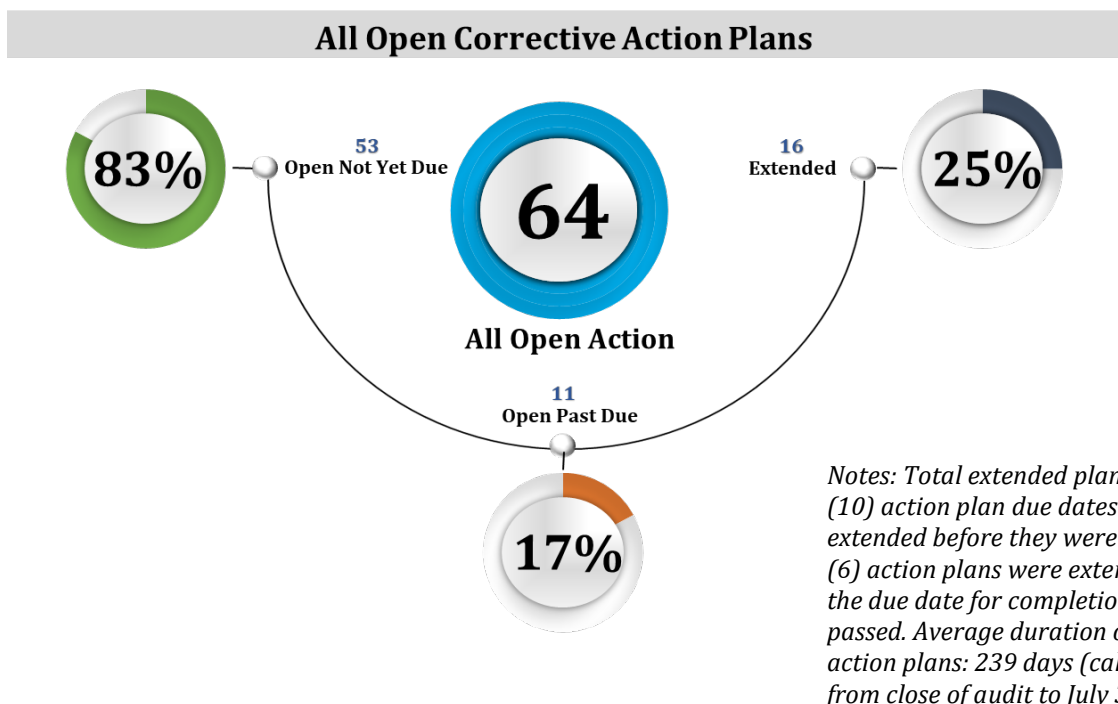
2. Summary of findings issued since prior written report (covers May 1, 2024 through August 9, 2024)

Audit	Summary of Report and Findings
<p>Ransomware Assessment Follow-Up—Academic Division</p> <p>2 2 5</p> <p>2 Does Not Meet and 2 Partially Meets IT control-related findings 5 Working Controls</p>	<p>Of the nine (9) findings assessed, we considered five (5) to meet the control objective, two (2) to partially meet the control objective, and two (2) controls that do not meet the control objective.</p> <p>The 2 Does Not Meet findings relate to standardizing deployment of endpoint detection and response and increasing network visibility at the Academic Systems.</p> <p>The 2 Partially Meets findings relate to configuring and enforcing email security protocols and enhancing the Academic Systems ransomware alerting process.</p>
<p>IT Disaster Recovery (ITDR)—Academic Division</p> <p>4 2</p> <p>4 Does Not Meet and 2 Partially Meets IT control-related findings</p>	<p>The results of our assessment found the UVA ITDR plan for the Academic Division was still being drafted at the time of the audit and requires significant improvements. Without substantial improvements, UVA is at risk of prolonged downtime, data loss, and operational disruptions, which could have far-reaching consequences for overall organizational resilience.</p> <p>Additional findings related to the business impact analysis process, alternate recovery strategies, the testing and exercise of the ITDR plan, building a formal training and awareness program for all relevant employees, and introducing a post-incident review process for disasters.</p>
<p>School of Engineering and Applied Sciences</p> <p>16 1 10</p> <p>16 Priority 2 findings 1 Process Improvement 10 Working Controls</p>	<p>This school-level audit project identified 16 control findings in the areas of Governance (1), Finance and Administration (3), Human Resources (3), Information Technology (2), Key Relationships (2), Academic Activities (1), Research (3), and Safety and Security (1). In addition, one process improvement opportunity was identified related to Academic Activities.</p>

2. Summary of findings issued since prior written report (covers May 1, 2024 through August 9, 2024)

Audit	Summary of Report and Findings
Workday Financial Controls – Office of Sponsored Programs <div style="background-color: green; color: white; padding: 2px 10px; display: inline-block; margin: 5px 0;">25</div> 25 Working Controls	Based on a review of 25 Workday key controls in place at the Office of Sponsored Programs, we determined that all were operating effectively.
UVA Health Laboratory <div style="display: flex; gap: 5px;"> <div style="background-color: red; color: white; padding: 2px 10px; display: inline-block;">1</div> <div style="background-color: yellow; padding: 2px 10px; display: inline-block;">1</div> <div style="background-color: green; color: white; padding: 2px 10px; display: inline-block;">1</div> </div> 1 Priority 1 finding 1 Priority 2 finding 1 Working Control	Project was conducted under Attorney-Client Privilege. Management is working to address the identified issues.
Community Health <div style="display: flex; gap: 5px;"> <div style="background-color: red; color: white; padding: 2px 10px; display: inline-block;">1</div> <div style="background-color: yellow; padding: 2px 10px; display: inline-block;">1</div> <div style="background-color: green; color: white; padding: 2px 10px; display: inline-block;">6</div> </div> 1 Priority 1 finding 1 Priority 2 finding 6 Working Controls	Project was conducted under Attorney-Client Privilege. Management is working to address the identified issues.

3. Summary of Action Plans Status as of August 23, 2024



The Institute of Internal Auditor’s Standard 15.2 *Confirming the Implementation of Recommendations or Action Plans* requires internal auditors to confirm that management has implemented internal auditors’ recommendations or management’s action plans. The table below shows the action plans to correct control deficiencies that have not been implemented by the due dates *established by management*.

Audit	Action Item	Priority Rating	Action Plan Owner
2019 Fixed Fee Monitoring and Management	<p>Two action items from this audit remain outstanding. These actions include the implementation of a residual balances policy and the associated monitoring metrics. As of February 2024, a draft policy was submitted to the University’s Policy Review Committee for approval. As of August 2024, the policy review process has not been completed. Management stated they are actively engaged and committed to getting this policy finalized.</p> <p>Originally due: 6/30/2020. First extended to 1/14/2022. Second extension granted to 12/31/2024</p>	2 Priority 2 (P2) control gaps	Kelly Hochstetler, Associate Vice President for Research Operations, Compliance & Policy
2020 Accounts Payable	<p>Two action items from this audit remain outstanding: 1) monitoring for potential employee/vendor conflicts of interest, and 2) post transaction fraud monitoring in Workday.</p> <p>Current plan for 1: UVA Finance has been working with Business Intelligence to create an additional review process that compares vendor payments to employee file and identifies any disbursements to vendors that met such criteria. The new anticipated completion date is 9/30/2024.</p> <p>Current plan for 2: PSDS is working with an outside consultant to analyze PSDS organizational structure, systems, and technology, with a goal of a roadmap to strengthen processes, monitoring, and compliance. The project will be completed in Q2 of FY25, with a goal of</p>	2 Priority 2 (P2) control gaps	Mark Cartwright, Senior Director of Procurement & Supplier Diversity Services (original Action Plan Owners were predecessors in equivalent position)

Audit	Action Item	Priority Rating	Action Plan Owner
	<p>further recommendation implementation in Q3 of FY25.</p> <p>Originally due: 6/30/2022. First extended to 10/31/2022. Second extension granted to 11/30/2023</p>		
<p>2022 Safety & Security Program Assessment - Follow Up</p>	<p>Two action items from this audit are past due related to the outside consultant's recommendations:</p> <p>1. Consolidate all safety and security functions into one division under the AVP for Safety and Security:</p> <p>1.A. Medical Center workplace violence coordinator position</p> <p>Current plan for 1.A: The Department of Safety and Security (DSS) and UVA Medical Center (MC) leadership have engaged in discussions about the Workplace Violence Prevention (WVP) Coordinator for over a year. Such discussion has entailed consultation with General Counsel and University leadership, as well as several meetings individually within each respective department and collaboratively. DSS has hired a part time clinician from the SOM to assist with proper coordination of information sharing with the MC as part of the threat assessment process. UVA MC affirmed their preference for the WVP Coordinator to have a singular reporting line to UVA MC leadership. The MC has reviewed the job profile with HR to ensure they have the appropriate candidate pool identified .</p> <p>Because UVA MC and UVA Safety and Security have accepted the risks of not consolidating all safety and security positions into one division as</p>	<p>2 Priority 2 (P2) control gaps</p>	<p>Timothy Longo, Associate Vice President for Safety and Security / Chief of Police</p>

Audit	Action Item	Priority Rating	Action Plan Owner
	<p>outlined above, UVA Audit will cease following up on this recommendation.</p> <p>1.B. Fire Safety Program</p> <p>Current plan for #1.B: Organizational discussions have continued, and an MOU will be developed consolidating the Fire Safety Program under DSS.</p> <p>2) The housing of all safety and security functions in a dedicated command center.</p> <p>Current plan for #2: Renovations and construction for the Zehmer Hall command center is scheduled to commence in September of 2024, with an estimated completion date of August 2025.</p> <p>Originally due: 6/30/2023 Extended to 3/31/2024</p>		
2023 Hazardous Materials Handling: Heating Plant Coal Lifecycle	<p>One action item is past due. Management elected to postpone the recommended completion of a physical security and threat assessment during ongoing construction at the Main Heat Plant and the North Chiller Plant. Management anticipates completion of the assessment by June 2025.</p> <p>Originally due: June 1, 2024</p>	1 Priority 2 (P2) control gap	Paul Zmick, Director of Energy & Utilities, Facilities Management, & Carey Drayton, Director, Safety & Security Systems & Technology
2023 Workday Financial Controls: Expense Reimbursements	<p>One action plan is past due. The action plan stated that a process would be implemented to ensure ongoing review and notification of incomplete and aging account certifications in Workday.</p> <p>Current plan: As part of an Account Certification Project, UVA Finance is reviewing its business processes & controls that are central (UVA Finance) and distributed (schools and units). As part of this process, management's goal is to strengthen the processes</p>	1 Priority 2 (P2) control gap	Jacob Mair, Senior Director of Accounting and Financial Reporting UVA Finance

Audit	Action Item	Priority Rating	Action Plan Owner
	<p>surrounding general ledger integrity, clarify stewardship and responsibilities centrally and distributed, and ensure appropriate monitoring. Management expects this will be completed March 31, 2025.</p> <p>Originally due: 8/31/2023</p>		
<p>2023 Workday Financial Controls: Accounting and Financial Reporting Cycle</p>	<p>Three action items are past due. Two of the action items require improved documentation of controls for (1) financial reporting and year-end book code transactions, and (2) journal entries based on journal source. One additional action item (3) requires improvements in managerial reporting to units.</p> <p>Current plan for 1 and 2: Management is continuing to address the remaining open items through a Ledger Optimization Project with an expected completion date of December 31, 2024.</p> <p>Current plan for 3: TBD</p> <p>Originally due: March 31, 2024.</p>	<p>3 Priority 2 (P2) control gaps</p>	<p>Olga Weider, Associate Vice President for Finance and University Controller</p>
<p>2023 Case Management</p>	<p>Three action items were extended and remain outstanding. The action items are regarding: (1) repeat validation checks of staff daily activities, (2) three monthly validations of medical records, and (3) creation of and training on new case management policies and procedures.</p> <p>The current plan for 1 is to complete a full cycle of validations by the end of September 2024. Validations for 2 are underway and will have three months complete by October 7, 2024. 3 has been delayed due to resources being prioritized to Joint Commission preparations.</p> <p>Originally due: 6/30/2024 Extended to: 9/30/2024; 10/7/2024; 11/7/2024 respectively</p>	<p>3 Priority 2 (P2) control gaps</p>	<p>Monica Goldsmith, Director of Care Management, UVA Health</p>

Audit	Action Item	Priority Rating	Action Plan Owner
2023 Graduate Medical Education (GME) Program	Two action items were extended and remain outstanding. Both regard the renewal or replacement of software used to support GME activities via a Request for Proposal procurement process. Management expects to complete the procurement process by the end of October 2024. Originally due: 10/31/2023 Extended to: 10/31/2024	2 Priority 2 (P2) control gaps	Diane Farineau, Director of Graduate Medical Education; Jonathan Hohman, Director of Contracts, UVA Health
2023 UVA Community Health Controlled Substances Compliance	One action item regarding policy creation was extended and remains outstanding. Management expects to complete the policies by the end of August. Originally due: 1/31/2024 Extended to: 8/30/2024	1 Priority 2 (P2) control gap	Millie Deya, Pharmacy Manager, UVA Community Health

4. Final report on prior year approved audit plan:

4.a. Completed Audits for FY2024

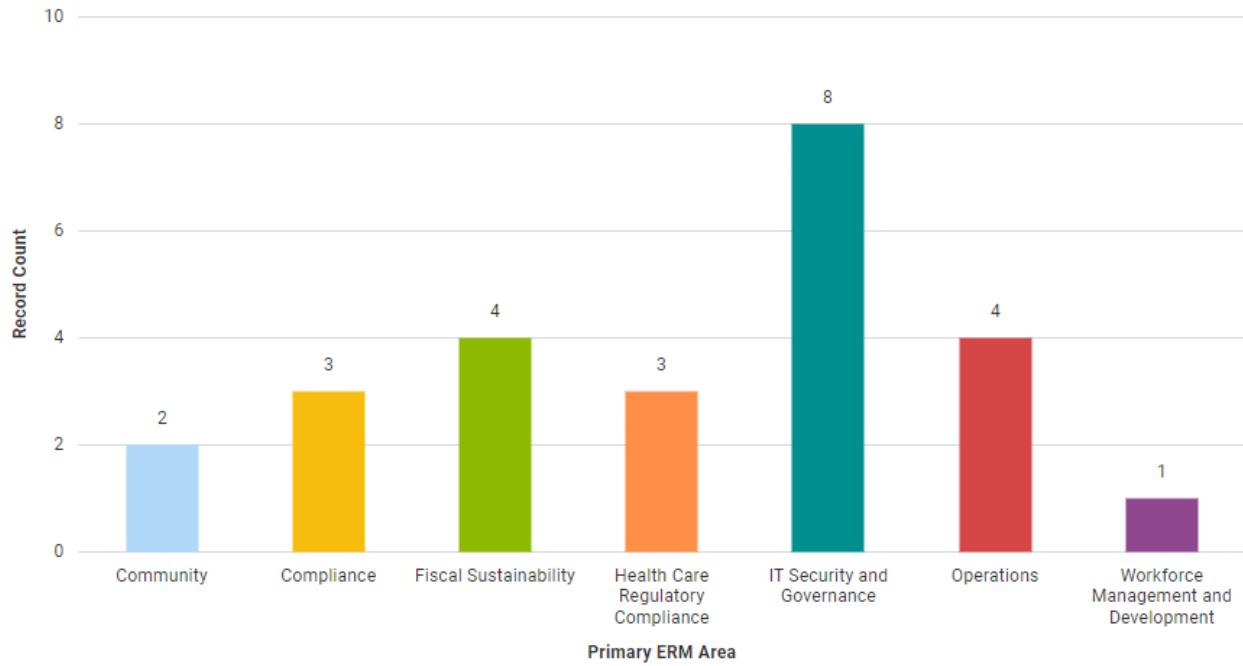
The team completed 25 audits in FY2024: 10 audits in UVA Health; 13 audits across the Academic Division; and 2 pan-University audits. This represents 63% completion of the FY2024 audit plan topics.

Factors impacting completion of the plan for UVA Health audits included management’s focus on remediating internal control weaknesses, UVA Audit’s participation in financial controls remediation activities, and resignation of the Director of UVA Health Audits. Five (5) audits planned for the fiscal year were deferred or removed. Three audits are in progress now.

Factors impacting completion of the plan for UVA Academic Division audits included longer than planned audit cycle times and the addition of an advisory project at management’s request. The FY2024 plan assumed hiring a full-time senior midyear, which did not occur. That position was posted in August 2024. Two audits from the FY2024 plan are in progress; 1 audit was removed. Longer duration construction projects (2) skew audit plan status reporting but are tracking as expected with the outside construction auditor.

Audits completed covered a multitude of Enterprise Risk Management (ERM) categories. The chart below illustrates risk coverage for both UVA Health and Academic Division audits. Most of the audit work was completed in IT Security and Governance, Compliance, Operations, and Fiscal Sustainability.

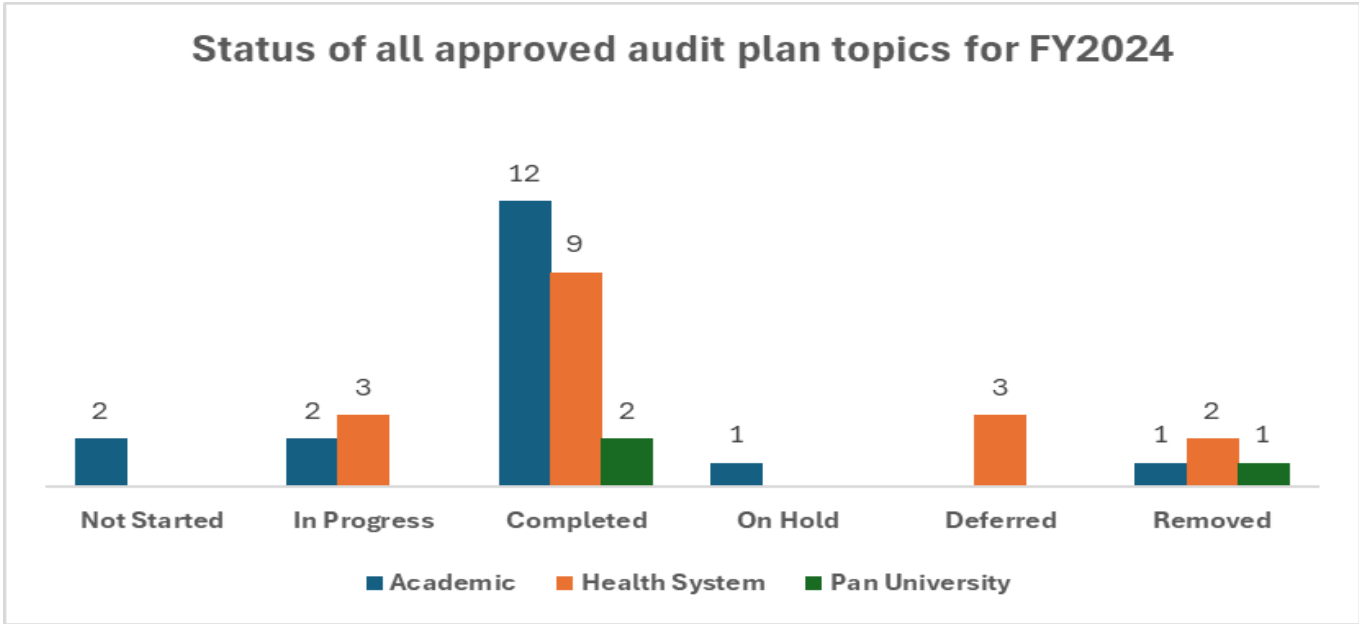
Completed Projects by ERM Risk Areas (Divisions Combined)



Completed Audits FY2024		
Fiscal Year Audit Plan	Division	Audit Project Name
FY2023	Academic	Ransomware Assessment Follow Up (IT Audit)-Academic
FY2023	Academic	Salesforce Service and Marketing Cloud (IT Audit)-Academic
FY2023	Academic	School-Level Audits: Pilot Audit of McIntire School
FY2023	Academic	Threat & Vulnerability Management - Academic (IT Audit - EY)
FY2024	Academic	CARES Compliance - Higher Education Emergency Relief Fund (HEERF I, II, III) - Part 3 (FY24)
FY2024	Academic	IT Disaster Recovery (IT Audit)
FY2024	Academic	Payroll Processing Review

Completed Audits FY2024		
Fiscal Year Audit Plan	Division	Audit Project Name
FY2024	Academic	Presidential Travel and Expense
FY2024	Academic	Residential Colleges (Management Request: Added to FY2024 Plan)
FY2024	Academic	School-Level Audits (1) - UVA Engineering
FY2024	Academic	Student Billing and Collections
FY2024	Academic	Third Party Risk Management (Academic - IT Audit)
FY2024	Academic	Workday Financials Controls Validation: Grants and Contracts
FY2023	Health System	Contract Labor Controls
FY2023	Health System	Physician Transactions (Purchased Services)
FY2023	Health System	Ransomware Assessment Follow Up (IT Audit)-Health System
FY2023	Health System	UVACH: IRS 501(r) Compliance
FY2024	Health System	Incentive Compensation Plans – University Hospital
FY2024	Health System	Laboratory Outreach Billing (Non-patient receivables)
FY2024	Health System	PeopleSoft ITGC (IT Audit)
FY2024	Health System	PeopleSoft Segregation of Duties Analysis

Completed Audits FY2024		
Fiscal Year Audit Plan	Division	Audit Project Name
FY2024	Health System	Third Party Risk Management (HS _ IT Audit)
FY2024	Health System	Trauma Activation Claims – Billing Compliance
FY2024	Academic & UVA Health	ESG - Sustainability Reporting
FY2024	Academic & UVA Health	Child Development Centers



4. b. Detailed status of all approved audit plan topics for FY2024

	Division	Audit Plan Topic	Scope	Status
1	Academic & UVA Health	Child Development Centers	Identify and assess oversight controls for contracted child day care services that ensure regulatory compliance and promote safety and security.	Completed (Replaced School-Level Audit 3)
2	Academic & UVA Health	ESG - Sustainability Reporting	Assess controls ensuring relevant, quality information is captured through the reporting process, culminating in the preparation of reliable sustainability reports.	Completed
3	Academic & UVA Health	Research - Post Award Administration	Assess effectiveness of post-award controls for selected sponsored awards to ensure compliance with sponsor requirements, applicable regulations, and University policy. (Deferred from FY2023)	Removed
1	Academic	CARES Compliance - Higher Education Emergency Relief Fund (HEERF I, II, III) - Part 3 (FY24)	Evaluate design and effectiveness of controls and processes related to HEERF funds data collection, use, accounting, and reporting.	Completed

	Division	Audit Plan Topic	Scope	Status
2	Academic	Construction Audit: Football Operations Building Construction Audit	Using an outside expert in construction project management accounting, perform procedures relevant to phases of specified construction projects.	Phase 1 Risk Assessment Completed
3	Academic	Construction Audit: Hotel and Conference Center Construction Audit	Using an outside expert in construction project management accounting, perform procedures relevant to phases of specified construction projects.	On Hold
4	Academic	IT Disaster Recovery – Academic (IT Audit)	Determine and evaluate if adequate processes are in place for recovering critical systems and data in the event a service disruption or breach occurs.	Completed
5	Academic	NCAA Compliance: Recruiting	Assess UVA Athletic Department Compliance Office's oversight of student- athlete Recruiting considering impacts of the NCAA Name, Image, and Likeness policy.	In Progress
6	Academic	Payroll Processing Review	Evaluate controls over payroll processes including Workday user access, identification of employees working out- of- state/country, and untimely terminations resulting in overpayments.	Completed

	Division	Audit Plan Topic	Scope	Status
7	Academic	Presidential Travel and Expense	Annual audit of the President's Travel and Entertainment expenses. Audits were paused during pandemic-impacted years. Audit will cover FY23 expenses.	Completed
8	Academic	Ransomware Assessment Follow Up – Academic (IT Audit)	Determine if the recommendations outlined within the December 2021 Mandiant Purple Team Report for the Academic Division have been addressed and closed by Management.	Completed
9	Academic	Residential Colleges	Compare processes and analyze data related to governance, budgeting, spending, funding, and financial oversight for each of the three residential colleges (Brown, Hereford, and the International Residential College)	Completed (Added to the Plan and replaced Benefits Administration)
10	Academic	School-Level Audits: Pilot Audit of McIntire School	Complete pilot of school level audit program as a prelude to annual school level audits.	Completed
11	Academic	School-Level Audits (1) - UVA Engineering	Annual school level audit	Completed

	Division	Audit Plan Topic	Scope	Status
12	Academic	School-Level Audits (2) – UVA Education and Human Development	Annual school level audit	In Progress
13	Academic	Student Billing & Collections	Evaluate design and effectiveness of controls over accuracy and timeliness of student billing and collections.	Completed
14	Academic	Third Party Risk Management – Academic (IT Audit)	Identify and assess the controls supporting the third-party risk management program such as: governance & operating model, policies, and procedures, third party data management, risk models, assessment methodology, and tools and technology used to support reporting.	Completed
15	Academic	Threat & Vulnerability Management – Academic (IT Audit)	Evaluate UVA Academic Systems controls supporting the Threat & Vulnerability Management program used for identifying, classifying, prioritizing, remediating, and mitigating software, and firmware vulnerabilities.	Completed

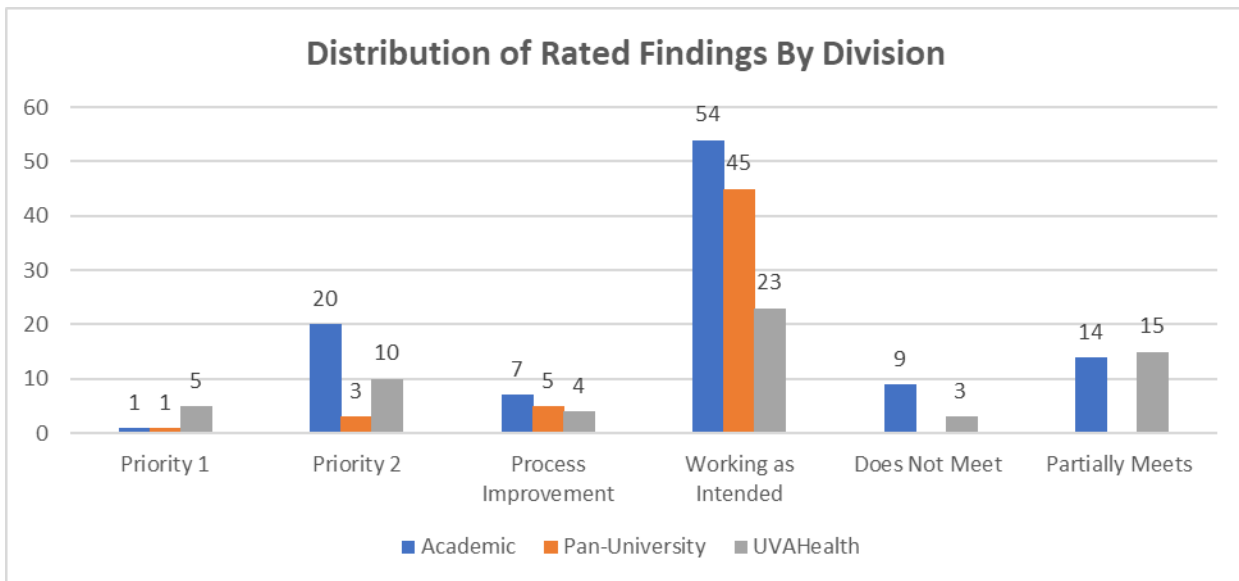
	Division	Audit Plan Topic	Scope	Status
16	Academic	UVA Wise Academic Records - Degree Related Data (Jenzabar)	Evaluate design and effectiveness of controls over the maintenance of degree-related data, including grade submissions and changes, course substitutions and/or degree requirement exceptions, and incoming transcripts.	Not Started
17	Academic	Workday Financials Controls Validation: Gifts	Assess the effectiveness of key financial business process controls related to the acceptance, receipt, recording, and processing of gifts to the University.	Removed
18	Academic	Workday Financials Controls Validation: Grants and Contracts	Assess the effectiveness of key financial business process controls related to expenditures of sponsored funding.	Completed
1	Health System	Attorney-Client Privileged	Attorney-Client Privileged - Deferred from FY2023	Completed
2	Health System	Contract Management	Internal controls over contract development, approval, and management. (Deferred to FY2025)	Deferred
3	Health System	Exclusion Screening for Vendors	Policies and procedures designed to ensure all on-site vendor representatives receive the required screening for potential exclusion from government payer programs. (Deferred to FY2025)	Deferred

	Division	Audit Plan Topic	Scope	Status
4	Health System	Incentive Compensation Plans – University Hospital	Internal controls around the University Hospital’s incentive compensation plans.	Completed
5	Health System	Insurance Verification and Pre-Authorization	Procedures and controls for gathering and validating patient insurance coverage prior to providing services.	Deferred
6	Health System	Attorney-Client Privileged	Attorney-Client Privileged	Completed
7	Health System	Medical Device Recalls and Credits	Policies and procedures for claims adjustments related to medical device recalls.	Removed
8	Health System	PeopleSoft ITGC (IT Audit) - Health	Identify the methods, processes, and controls by which access is provisioned and deprovisioned both centrally and for selected applications that authorize access to end users.	Completed (Replaced Identity & Access Management IT Audit)
9	Health System	Attorney-Client Privileged	Attorney-Client Privileged	Completed (Added to the Plan)
10	Health System	Attorney-Client Privileged	Attorney-Client Privileged	In Progress
11	Health System	Provider Based Billing Compliance	Assess compliance with Medicare's billing rules for provider-based clinics.	Removed (replaced with a similar audit focused on

	Division	Audit Plan Topic	Scope	Status
				UVACH Culpeper only for FY2025)
12	Health System	Ransomware Assessment Follow Up (IT Audit)- Health System	Determine if the recommendations outlined within the December 2021 Mandiant Purple Team Report for the Health System have been addressed and closed by Management.	Completed
13	Health System	Third Party Risk Management (IT Audit)	Identify and assess the controls supporting the third-party risk management program such as: governance & operating model, policies, and procedures, third party data management, risk models, assessment methodology, and tools and technology used to support reporting.	Completed
14	Health System	Timely Encounter Closure – Professional Services	Level of compliance with Revenue Cycle standards for timely charge entry to patient accounts.	In Progress
15	Health System	Trauma Activation Claims – Billing Compliance	Validate that Medicare claims for trauma services comply with Medicare billing guidelines.	Completed
16	Health System	UVACH: IRS 501(r) Compliance	Compliance with IRS 501(r) rules applicable to non-profit hospitals, such as community needs analyses and community benefit plans, financial assistance elements and publication. (Deferred from FY2023)	Completed

	Division	Audit Plan Topic	Scope	Status
17	Health System	Warehouse Receiving Controls	The receiving processes at the new distribution warehouse – internal control design and effectiveness.	In Progress

4. c. Summary of Audit Findings for FY2024



		Priority Rating for Findings (See Ratings Scale for Definitions)					
Project Name	Division	P1	P2	OP	W	DNM	PM
Higher Education Emergency Relief Funds	Academic			1	4		
Threat and Vulnerability Management	Academic				9	1	3
McIntire School of Commerce	Academic	1	4	3	16		
Student Billing and Collections	Academic				6		
Residential Colleges	Academic			2			
Third-Party Risk Management (Academic)	Academic				4	2	7
Ransomware Assessment Follow-up	Academic				5	2	2
IT Disaster Recovery	Academic					4	2
School of Engineering	Academic		16	1	10		
Academic Total		1	20	7	54	9	14

		Priority Rating for Findings (See Ratings Scale for Definitions)					
Project Name	Division	P1	P2	OP	W	DNM	PM
Salesforce	Pan-University				10		
Sustainability Reporting	Pan-University		1	1	2		
Presidential Travel and Expense	Pan-University			1	3		
Child Development Centers	Pan-University	1	1	1	2		
Payroll Processing	Pan-University		1	2	3		
Workday Financial Controls - OSP	Pan-University				25		
Pan-University Total		1	3	5	45		
Contract Labor Controls	UVAHealth	2	3		2		
Trauma Activation	UVAHealth						
Third-Party Risk Management (Health) (IT Audit)	UVAHealth				4	2	9
UVAH - Ransomware Assessment Follow-up (IT Audit)	UVAHealth				3		4
UVA Community Health*	UVAHealth	2		2	1		
UVAH Incentive Compensation	UVAHealth		2		3		
PeopleSoft ITGC (IT Audit)	UVAHealth			1	7	1	2
UVA Community Health 501(r)	UVAHealth		4	1	2		
UVAH Laboratory Billing and Collections*	UVAHealth	1	1		1		
UVA Health Total		5	10	4	23	3	15
Total		7	33	16	122	12	29

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

<u>BOARD MEETING:</u>	September 13, 2024
<u>COMMITTEE:</u>	Audit, Compliance, and Risk
<u>AGENDA ITEM:</u>	IV.B. Institutional Compliance and Medical Center Compliance Goals for FY2024-25 (Written Report)
<u>ACTION REQUIRED:</u>	None

**Institutional Compliance Goals
Fiscal Year 2024-2025**

1. **SafeGrounds Reporting:** Enhance institutional reporting dashboard for data in SafeGrounds to create more effective university-wide reporting and monitoring of compliance concerns. The Information Technology Services team is developing reports using a new data analytics tool, Power BI, which should provide new opportunities for institution-wide reporting.
2. **Conflict of Interest:** Convene key stakeholders across Grounds to continue to identify current gaps in the University's current portfolio of COI programs; explore possible strategies and systems for developing a future comprehensive COI program.
3. **Privacy Program** – Onboard the university's first Director of Privacy Programs to focus on information privacy for the academic division and manage the university's response to ever increasing compliance requirements related to privacy. Develop more robust and aligned privacy protocols throughout the university.

**Medical Center Compliance Goals
Fiscal Year 2024-2025**

1. **Compliance Risk Assessment and Mitigation Plans:** We will create an inventory of key regulatory risks, gather and document information regarding existing controls, and rank the risks according to impact, likelihood, and strength of controls. Based on the outcome of this risk assessment, we will identify risk mitigation priorities, and work with operational colleagues to implement mitigation plans designed to close any compliance gaps that have been identified. This is an ongoing, year-after-year process that serves as the foundation for the Compliance office's proactive work plan.
2. **Conflict of Interest:** The UVA Health Compliance team will also conduct a gap analysis with respect to the organization's Conflict of Interest (COI) activities. We will review COI

policies and processes at the School of Medicine, UPG, and the Medical Center to determine whether there are any gaps in the process. To the extent that gaps exist, we will work with operational leaders to address those gaps and minimize the potential for regulatory and reputational risk to UVA Health.

3. **Policy Updates:** We will continue working to identify any UVA Medical Center and UVA Community Health compliance policies that are conflicting and/or duplicative and harmonize those policies into a single UVA Health system-wide policy whenever possible.