

Duke

OFFICE *of*
AUDIT, RISK & COMPLIANCE



Values in Action

Respect ♦ Excellence
Inclusion ♦ Trust
Discovery



2023 Annual Report

Our Mission

The Office of Audit, Risk and Compliance (OARC) talent and resources **advance and integrate** risk awareness, internal controls and compliance requirements; **collaborate** on proactive and innovative improvements to business processes; and **provide high-quality** audit and advisory services to university and health system stakeholders.



Be leaders within Duke and our profession



Recruit and develop high caliber people



Deliver recognized value to our stakeholders



Make important professional contributions

Our People

“Dedicated professionals who are willing and able to learn quickly.”

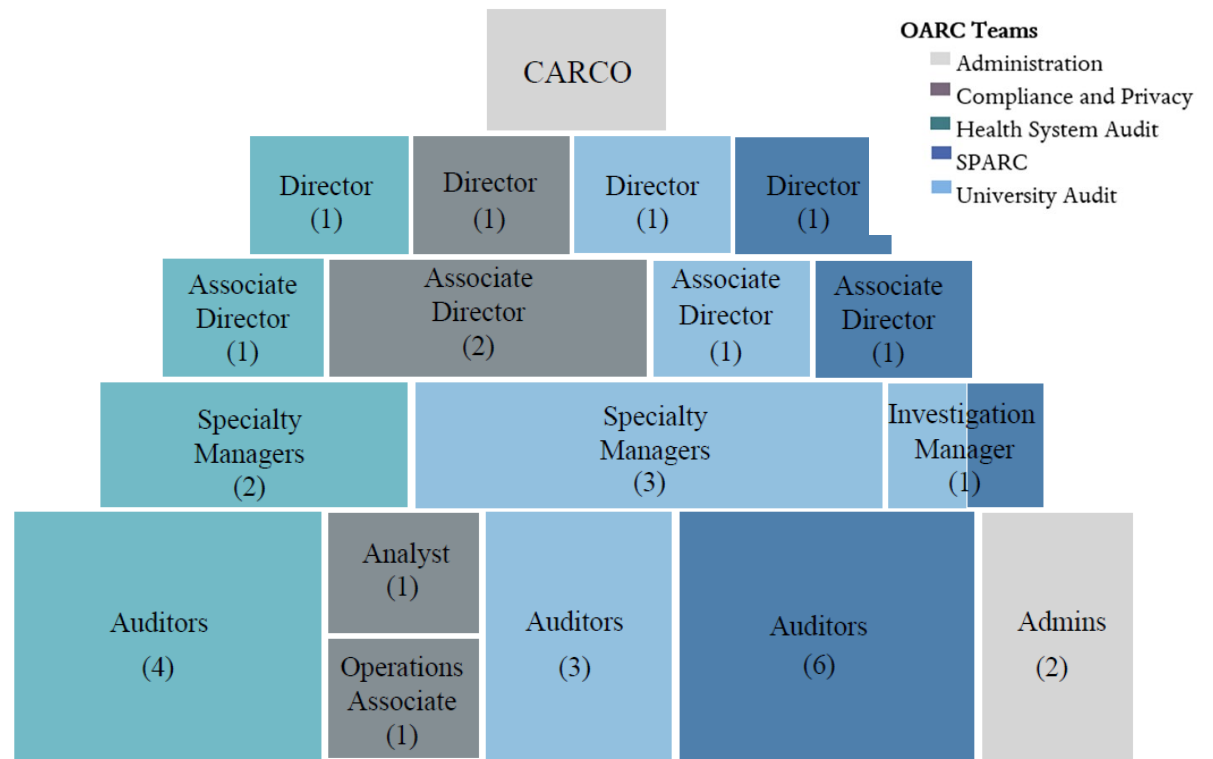
PERSONNEL AND ORGANIZATION STRUCTURE

We focus on hiring high-caliber professionals with proven experience in a combination of audit, compliance and industry settings.

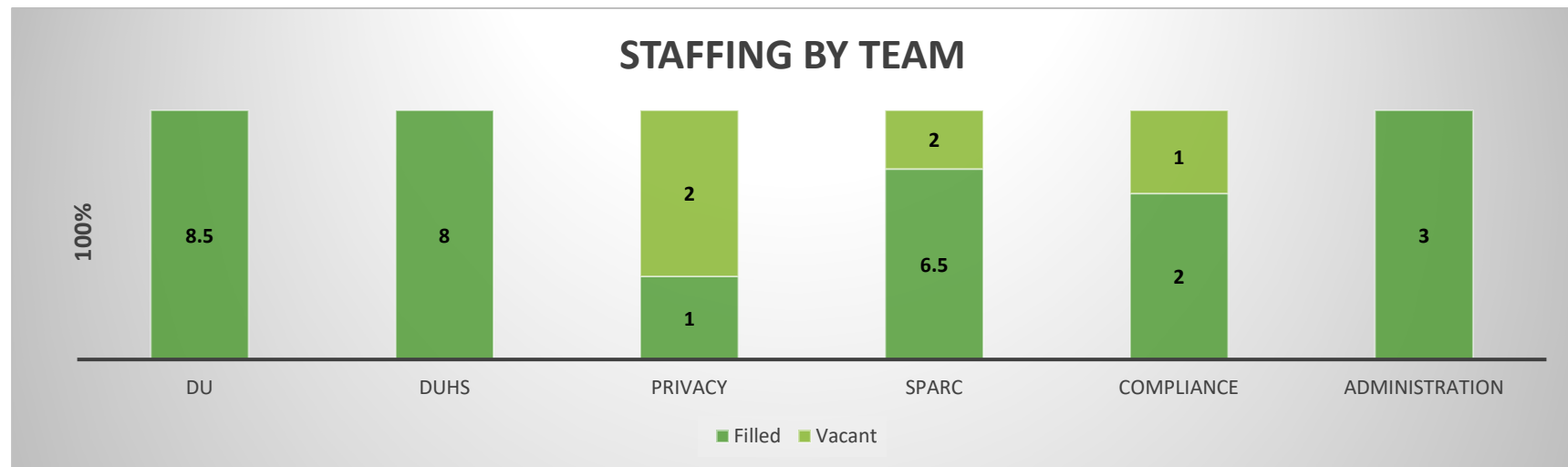
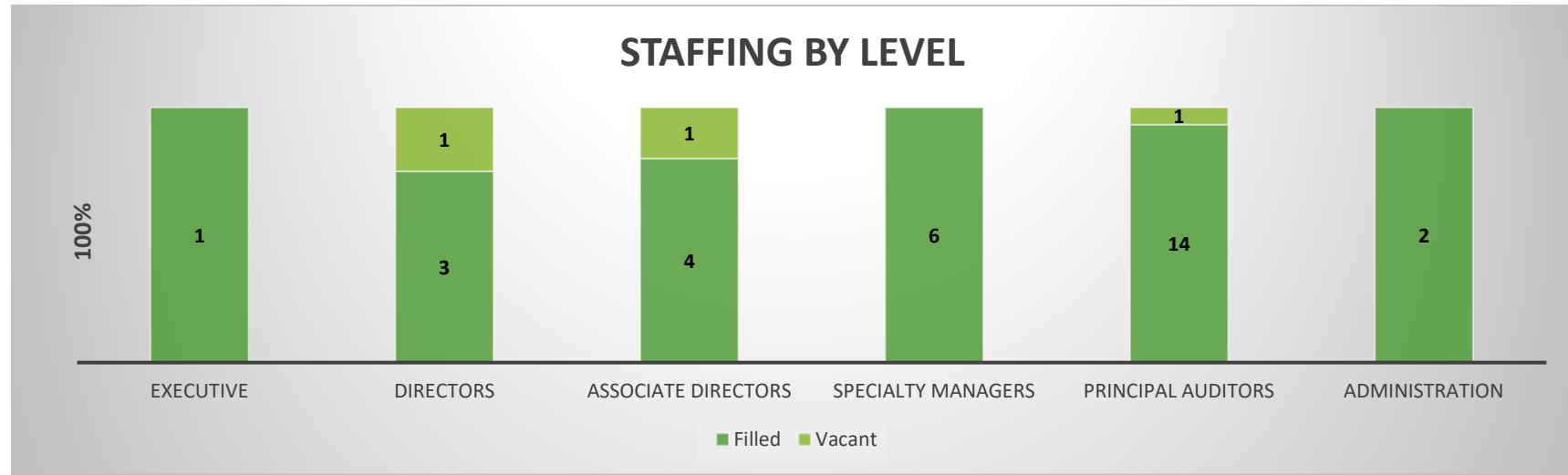
We believe the combination of strategic retention tools and purposeful recruitment of new team members enables continuity and staff development.

We value a blend of seasoned professionals who have built knowledge and relationships specific to Duke, as well as those who are less experienced and offer a fresh perspective.

Over the past five years, we converted eight positions to specialty manager or associate director roles to promote continuity in areas that benefit from deeper knowledge: health system, university IT audit, shared services, research compliance, research program compliance, technology risk assurance, university privacy and investigations.



OARC currently has 33 positions serving seven functional areas: university internal audit, health system internal audit, sponsored programs assurance, university privacy, and institutional programs for compliance, ethics, and enterprise risk management. Please refer to the [Appendix](#) or more information on the OARC leadership team.



EXPERIENCE, CREDENTIALS AND PROFESSIONAL CONTRIBUTIONS

OARC hires professionals with a range of experience and expertise. Our principal auditors are often early career professionals who desire development opportunities, while our specialty areas attract experience and subject matter expertise, and our directors bring a combination of proven leadership, talent development and deep subject matter expertise. In all cases, we seek to recruit, retain and promote purpose-driven and highly motivated professionals who want to make meaningful contributions to health care, research and higher education.

“They are true partners in their approach, and of the highest level of professionalism.”

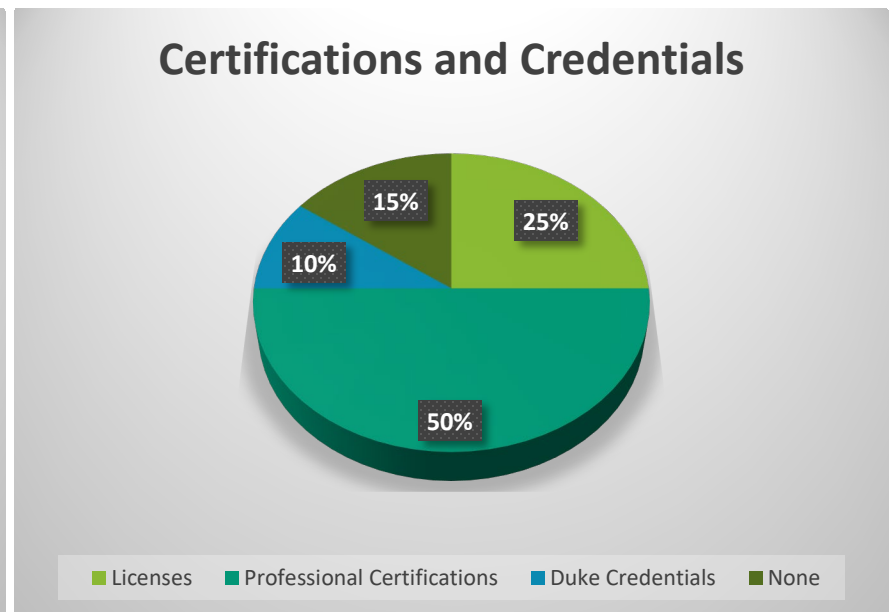
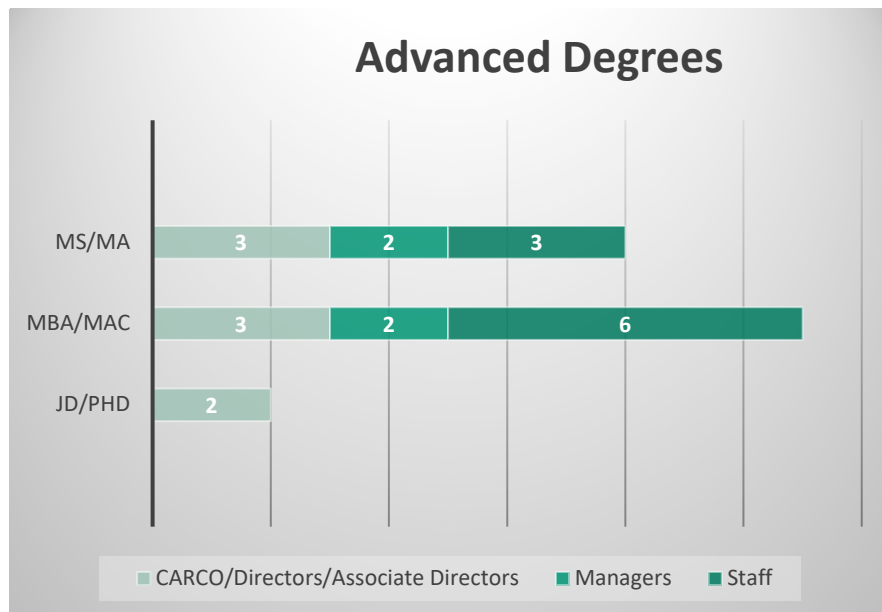
Everyone in OARC has a personalized professional development plan that aligns with competencies at each level and with career aspirations. We invest in our people through continuing education opportunities, access to research resources, coaching and mentoring activities, and planned activities to support office culture and team building.



In addition to delivering the assurance, risk and compliance plans, Duke calls on the OARC leadership team to make important contributions to working groups and steering committees. We also share our time and talents with our professional organizations, industry roundtable meetings and through continuing education training. Through these experiences, we gain insight and knowledge for continuous improvement in the way we assess risks and deliver our services.

Leadership positions in the office require relevant professional credentials, including advanced credentials and/or industry certifications. We encourage all team members to pursue professional credentials and certifications that support office goals, career development and specialty knowledge.

Common certifications: Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Duke's Research Costing Compliance (RCC); Duke's Financial Systems Specialist (FSS)



Our Work

KEY GROUP ACCOMPLISHMENTS

"The entire team was fantastic."

Internal Audit

- Focused new report template and committee updates on clear messaging and dashboard visuals that highlight risk and impact
- Provided real-time assurance on DHIP creation and software implementations
- Filled vacant positions, improved team retention and invested in professional development through cross-training and national conferences

Privacy

- Updated and relaunched Duke's Privacy Statement
- Leveraged co-source model to fill leadership vacancy and provide expertise for advancing program goals
- Shifted assurance plan to add focus on "privacy by design" and "privacy enablement"

Sponsored Programs Assurance

- Delivered internal controls training to support the Duke Advanced Grants Manager certificate program
- Identified opportunities to leverage existing clinical research management system functionality to streamline study participant visit verification and payment approval process
- Collaborated with OASIS to develop and automate a consolidated report of high risk clinical research studies used to improve assurance engagement sample selection

KEY GROUP ACCOMPLISHMENTS (Continued)

Institutional Ethics & Compliance Program

- Updated the institutional compliance framework and core program priorities
- Relaunching the Program Director position
- Establishing the Institutional Compliance Advisory Council

Compliance Services

- Introducing fable-style instructional vignettes to share Values in Action and Speak-up case studies
- Adding three programs to the incidents case management tracking module: Animal Care, Anatomical Gifts, Disbursements
- Triage partnership with OIE, Staff and Labor, DOSI, University Counsel, DUHS Compliance and Procurement vendor management

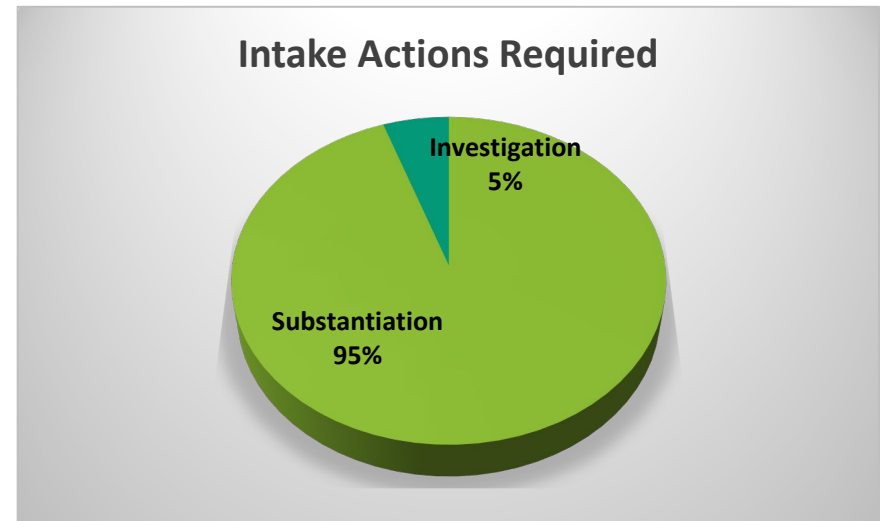
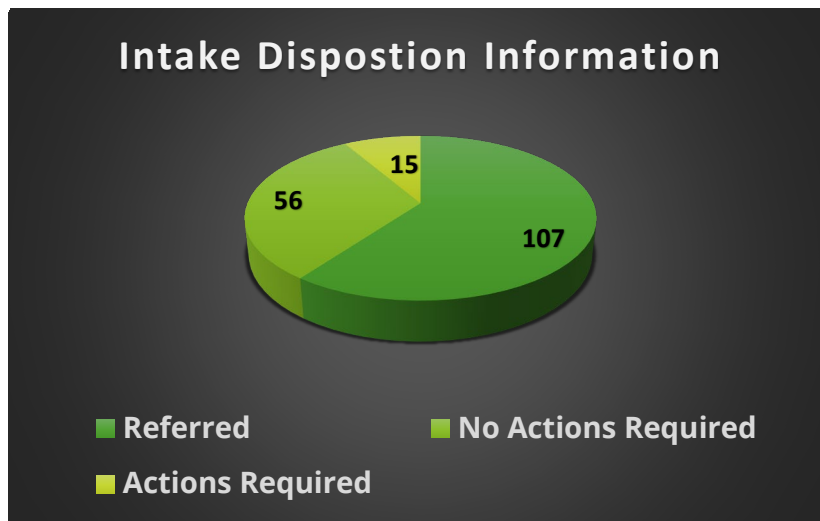
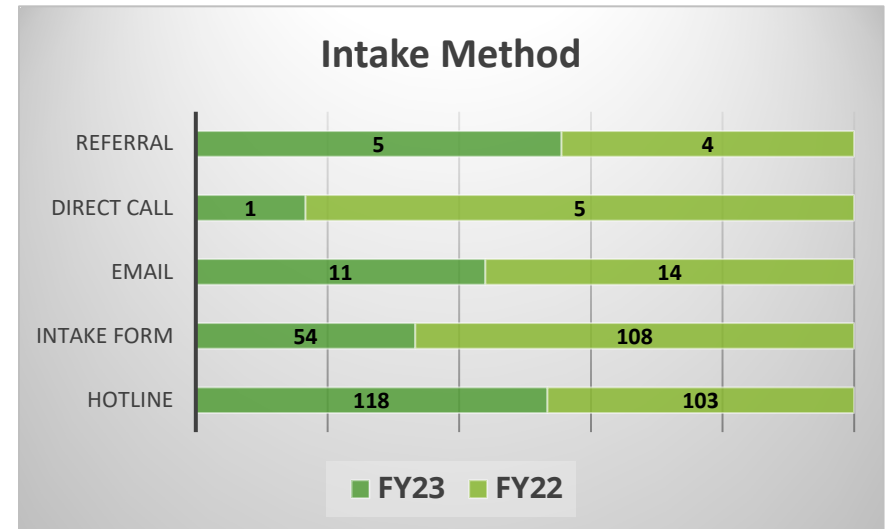
ERM

- Continuing focus on multi-faceted risk action plans
- Maintaining links between strategic risk priorities and governing board visibility
- Ongoing risk awareness discussions, particularly focused on new and high velocity concepts

COMPLIANCE SERVICES HIGHLIGHTS

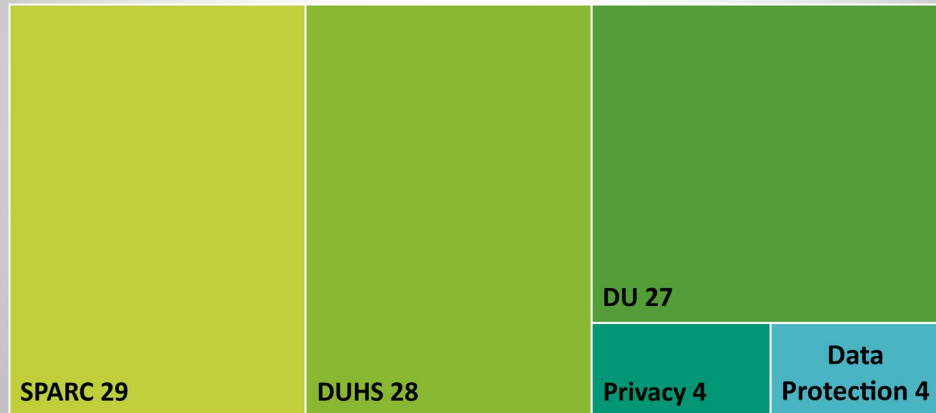
The following charts represent concerns that flowed through OARC Compliance Services reporting channels during FY23 and FY22 and were either triaged to other offices or handled directly by OARC.

There were 15 cases requiring action by OARC Compliance Services. Three were incidents where OARC performed investigations and issued memos. For the other items, OARC collected additional information and coordinated and hosted meetings to connected to the relevant departments to route the incidents appropriately.

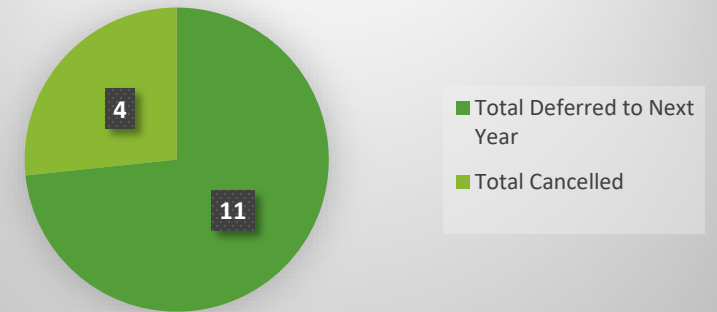


ASSURANCE PROGRAM HIGHLIGHTS

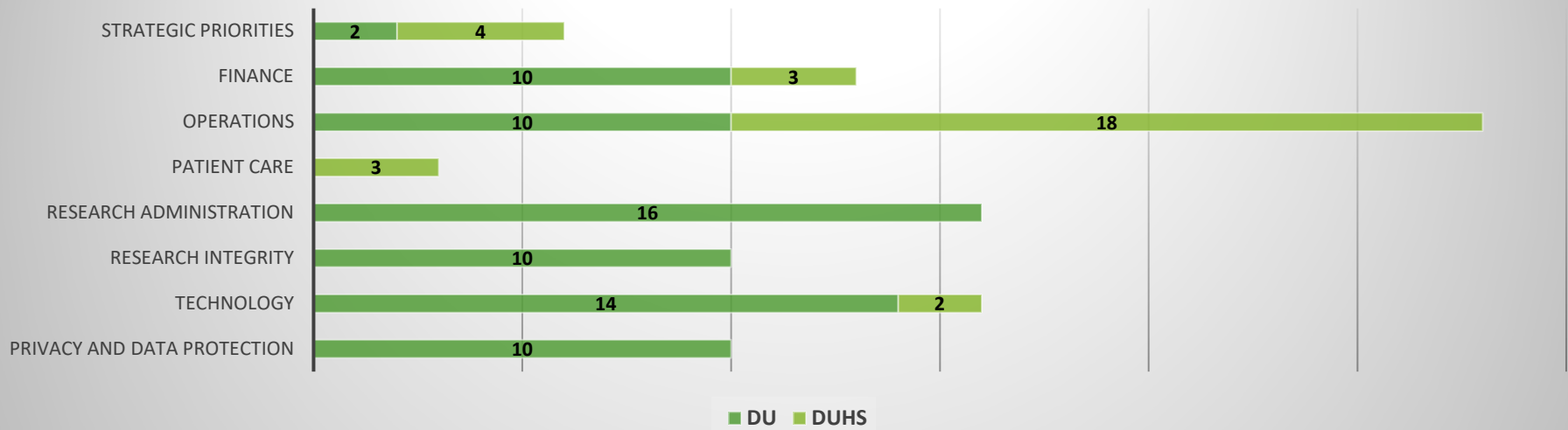
FY23 Plan Year in Review: 92 Completed Engagements



FY23: 15 Deferred and Cancelled



FY24 Work Plan by Risk Category (102 Engagements)

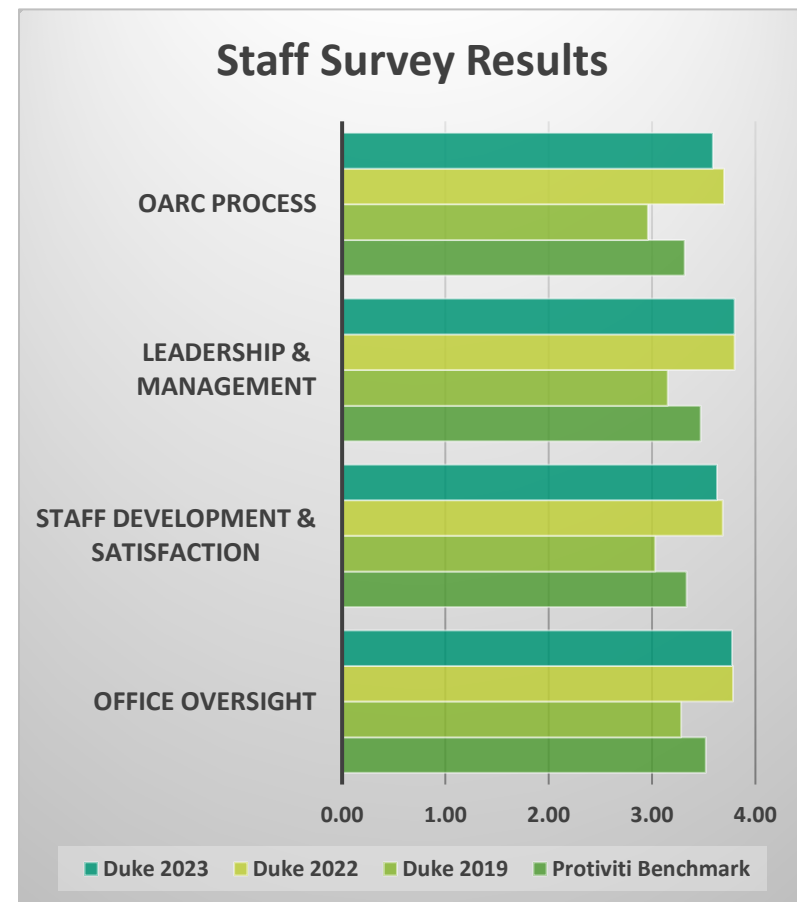


CONTINUOUS IMPROVEMENT

Under professional standards issued by the Institute of Internal Auditors (IIA), a quality assurance review (QAR) is required at least every five years. The 2019 self-assessment and independent validation provided a valuable perspective to ensure OARC is carrying out the mission set forth in the office charter and that we are meeting expectations expressed by management and this committee.

The 2019 QAR report was issued in February 2020. The independent assessment of the internal audit and compliance functions confirmed departmental strengths and made valuable recommendations for continuous improvement. In response to the observations, we committed to action plans to improve and refine our technical practice standards, clarify roles and expectations for our compliance activities, advance team culture and job satisfaction, leverage IT risk assessment in assurance engagement planning, and enhance the university compliance maturity program.

As of FY23, OARC has achieved and sustained all QAR action plans. The most recent staff survey confirms that our staff perceive marked improvement as compared to our 2019 base year and success across all major performance domains.

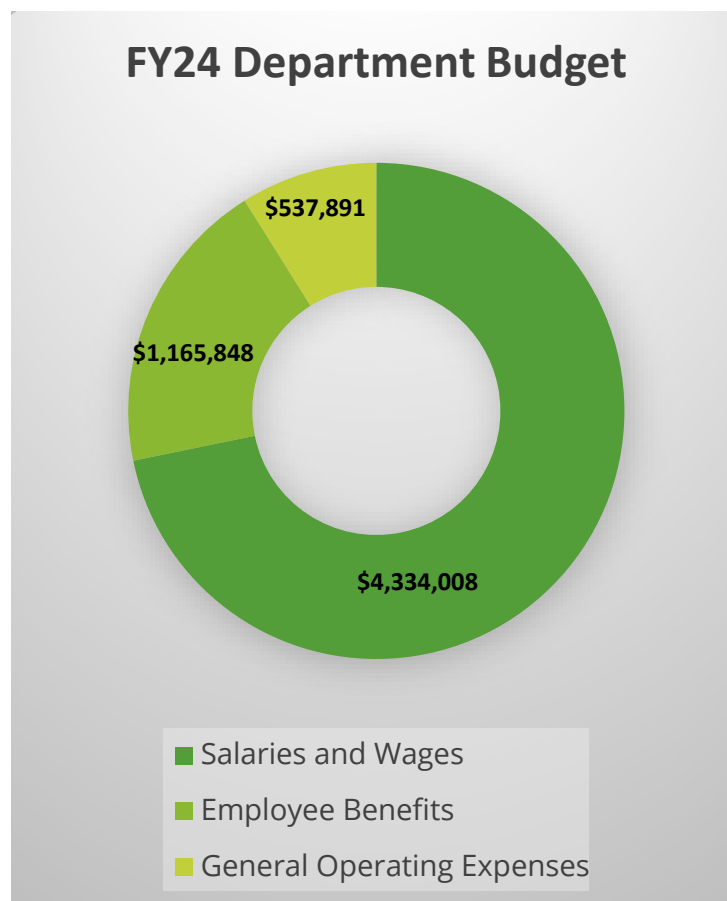


Our Financial Resources

Duke University and Duke University Health System leadership are committed to providing adequate financial resources to support our staffing, professional development, and general operating expenses.

This budget was developed and approved in February 2023 based on known factors and reasonable assumptions at that time. We are confident that the resources we need are either available in the approved budget or would be made available to us as supplemental funding, should the need arise. Additionally, Central Administration approved retention of a portion of our FYE 2023 favorable variance to budget. This provides us with strategic resources for physical space updates, software investments, professional development, and employee retention initiatives.

<i>Budget FY24</i>	<i>\$6,037,747</i>
<i>Budget FY23</i>	<i>\$5,746,485</i>



Our Commitment to DEI & Culture

Over the past year, our department has demonstrated our dedication to these principles by actively organizing and participating in 12 significant events. These events, such as the 'Third Thursday' learning sessions, the breathtaking tour of Duke Gardens, the heartwarming Winterfest Celebration, the enlightening 'Discover OARC' Staff Retreat, and various community service initiatives, have all played pivotal roles in showcasing our commitment to inclusivity. They have not only been opportunities to celebrate diversity but have also served as platforms to champion equal opportunities and nurture a culture of inclusiveness throughout our organization.



Moving Forward

We are committed to cultivating a workplace that celebrates diversity and upholds principles of equity. Our mission is to cultivate an inclusive environment where individuals from diverse backgrounds, with varying experiences and perspectives, can not only succeed but also thrive and contribute their best!

S U C C E S S

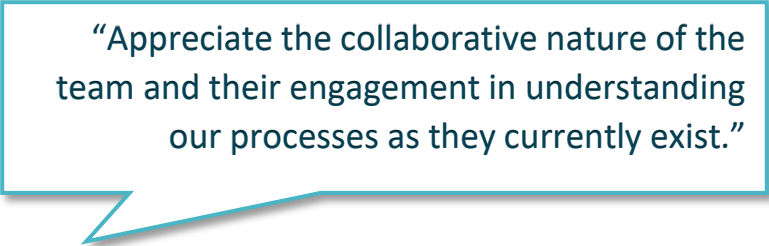


At OARC, our journey towards Diversity, Equity, and Inclusion (DEI) is a continuous endeavor, and we are resolute in our pursuit of creating an environment where every team member feels valued, heard, and empowered.

As we look ahead, we remain steadfast in our dedication to these principles, and we will continue to champion DEI efforts in the coming year, ensuring that they remain at the forefront of our organizational values and initiatives.

Our Future

We are committed to strategic objectives that will guide our focus on five core themes:



“Appreciate the collaborative nature of the team and their engagement in understanding our processes as they currently exist.”

- **Operational excellence.** Ensure time, people and resources are **efficiently deployed and effectively prepared** for the work; this includes careful preparation, focused scope of work, and consistent use of knowledge, experience, data, technology and client goals to inform and deliver the highest quality assurance, compliance and advisory services.
- **Trust and relationships.** Provide transparent, fair, **unbiased and informed** interactions, engagement and reporting to leadership, colleagues, clients and members of the governing boards; foster intentional and authentic relationships with colleagues and **demonstrate genuine interest** in their goals and compassionate response to their concerns.
- **Purposeful value.** Combine an in-depth **understanding of “why”** with an insightful **perspective on “how”** to validate institutional performance; identify threats to values, compliance, controls, processes and outcomes; and recommend improvements that make Duke better prepared to **achieve excellence** while balancing risks and benefits.
- **Culture, respect and inclusion.** Value, support and advocate for office and institutional culture that appreciates **diverse perspectives**, develops professional abilities, grow in knowledge and understanding, rewards accomplishment, and excels based on the drive of every individual to **contribute and thrive**.
- **Discovery and innovation.** Embrace growth, change and improvement as **opportunities** to contribute to advancement and achievement; perform research to understand emerging risks and issues and to share findings with others; evaluate options and alternative to achieve excellence; and honor history while **moving boldly forward**.

APPENDIX: Office Leadership

Leigh Goller – Chief Audit, Risk and Compliance Officer. Leigh has institutional responsibility for directing and coordinating integrated internal audit and risk management functions, both of which have enterprise-wide scope; oversight for a federated university compliance function; and accountability to enhance the ability of these functions to advance Duke’s mission. Leigh’s degrees are in accounting (UNC Charlotte) and liberal studies (Duke), and she is a CPA.

Leigh Baxter – Director of Health System Audit. Leigh is responsible for performing the annual risk assessment and development of audit plans. Leigh and the team conduct financial, operational, compliance and IT risk-based audits. Leigh holds a degree in accounting from Florida State University and is a CPA.

Vanessa Peoples – Director of Sponsored Programs Assurance and Research Compliance (SPARC). Vanessa’s team conducts horizontal assurance reviews aimed at assessing risk and evaluating design effectiveness and efficiency for programs and processes that support sponsored programs administration and clinical research across Duke’s research enterprise. Vanessa earned a B.S. in Finance from the University of Delaware and an M.B.A. from North Carolina Central University. She is also a Certified Internal Auditor.

Joanna Rojas – Director of University Audit. Joanna leads the university audit team, which provides an independent viewpoint on governance, risk management and internal controls for the university, DUMAC, Inc., and related entities. Joanna and the team conduct financial, operational, compliance and IT risk-based audits. Joanna holds a B.S. from Florida State University and a M.B.A. from Florida Gulf Coast University. Joanna is a Certified Information Systems Auditor. She also serves on the Duke University Federal Credit Union Supervisory Committee.

Director of Institutional Ethics and Compliance- Vacant

Associate Directors for Internal Audit, Compliance Services and Privacy. Currently, these positions are held by **Ian Sterrett** (health system audit), **Ken Stern** (university audit), **Summer Webbink** (compliance services), **Krista Kenney** (SPARC) and **David Senter** (interim privacy). Ian, Ken, Summer, Krista, and David have a combination of external audit experience in public accounting, internal audit experience in corporate and higher education/academic medical center settings, and operational experience for high-functioning privacy programs. Associate directors must have at least eight years of experience with progressive responsibilities as well as certifications, licenses or other designation(s) relevant to the position.

I really appreciate OARC's commitment to meeting our clients "where they are".



Kudos to the leadership team for creating a healthy work environment!