

Values in Action
Respect.
Excellence. Inclusion.
Trust. Discovery.



ANNUAL REPORT

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Duke
CENTENNIAL
100

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** assurance 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.”

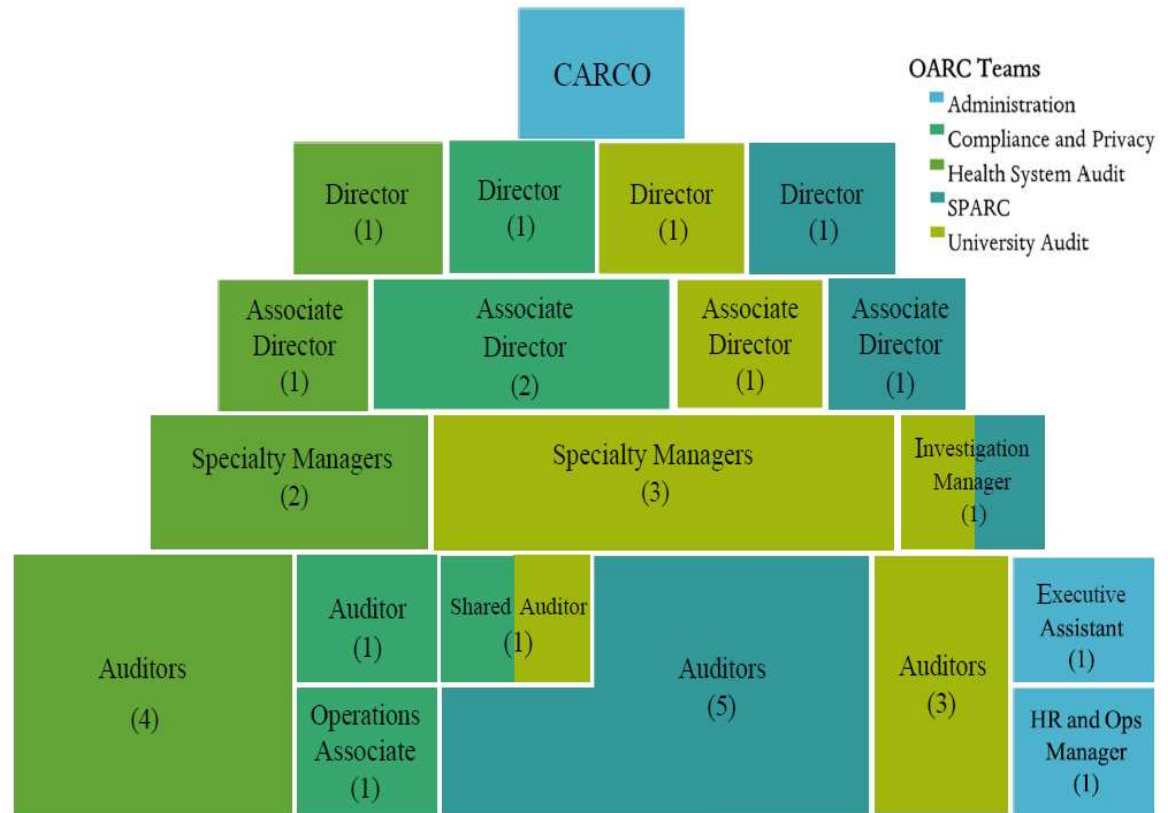
PERSONNEL AND ORGANIZATION STRUCTURE

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

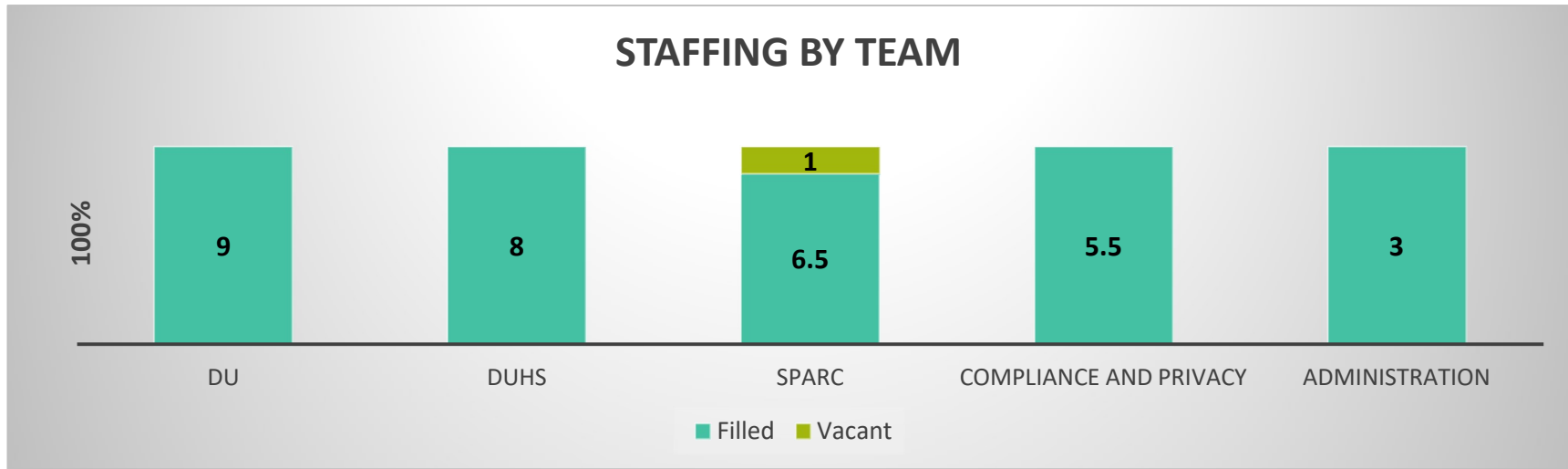
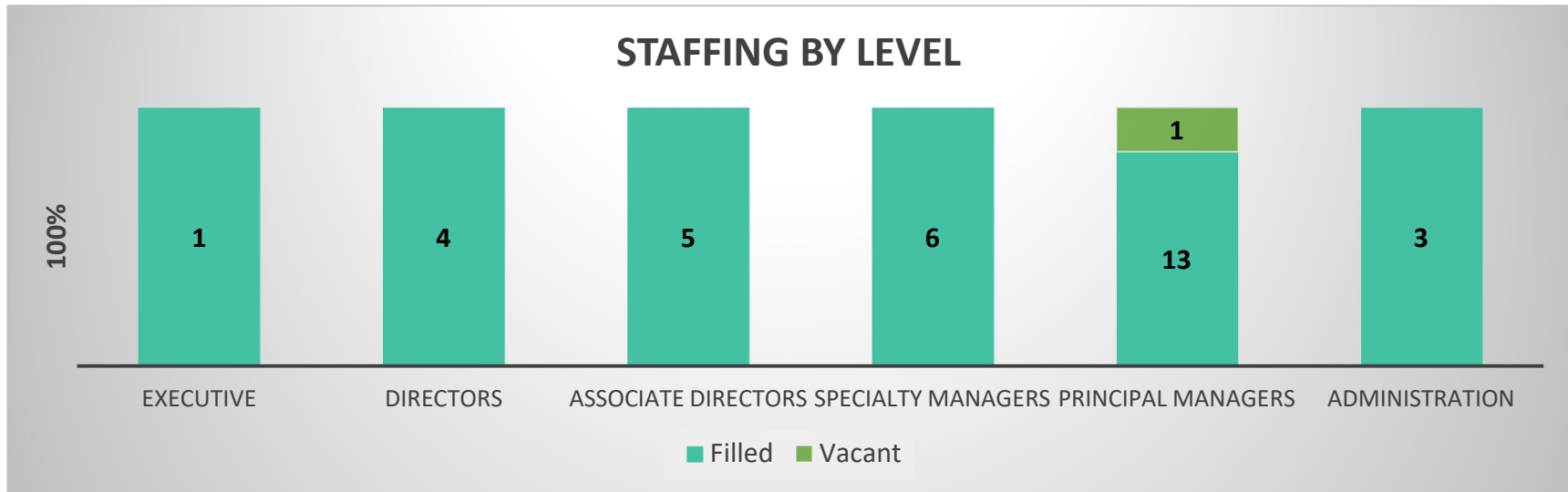
We believe the combination of strategic retention tools and purposeful recruitment of new team members enables continuity and staff development.

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

We leverage specialty manager and 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, and investigations.



OARC currently has 33 positions across five teams that serve 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.”

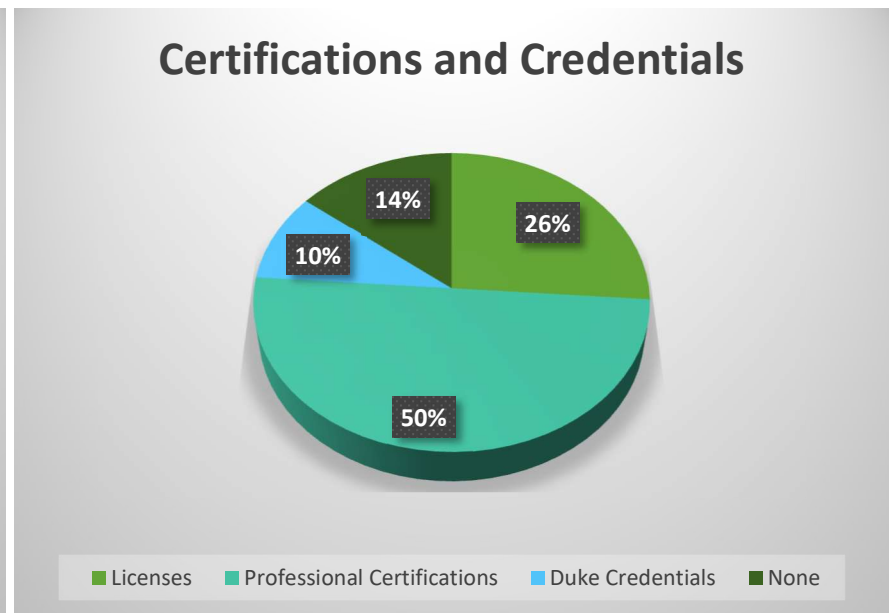
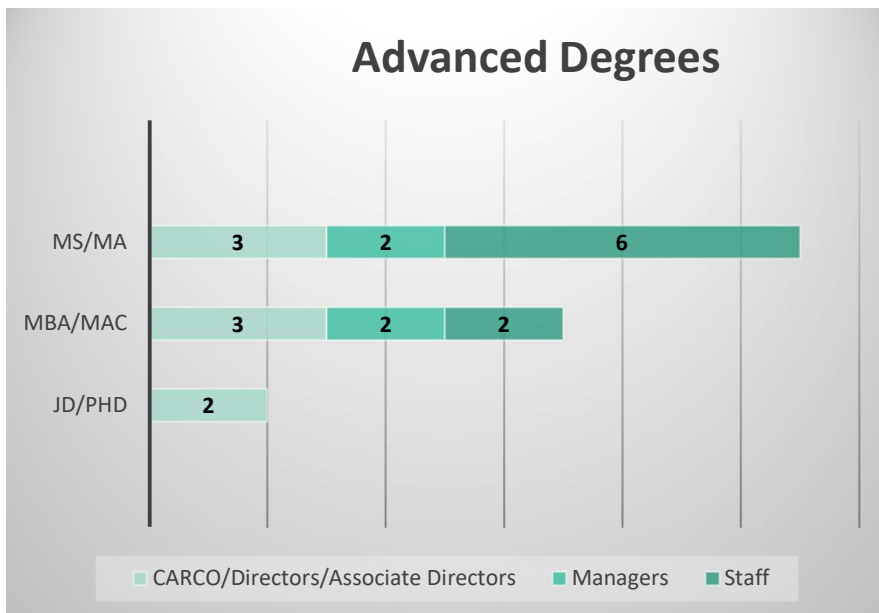
Everyone in OARC has a personalized professional development plan that aligns with competencies at each level and with career aspirations. We invest in our people through continuing education opportunities, access to research resources, coaching and mentoring activities, and planned events to support 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), Healthcare Privacy Compliance Certification (CHPC), Duke’s Research Costing Compliance (RCC); Duke’s Financial Systems Specialist (FSS)



Our Work

KEY GROUP ACCOMPLISHMENTS

“The entire team was fantastic.”

Internal Audit

- Active participants and contributors to our profession through presentations at national conferences, writing articles and association committee memberships
- Prioritize leadership requests by conducting multiple assurance and risk assessment engagements to advance control processes
- Participated in campus-wide system implementations sharing data governance and internal controls expertise

Privacy

- Promoted privacy awareness through a community-wide confidential document shredding event
- Published privacy practice statements for US and EU activities
- Supported privacy enablement at the business activity level through 263 consultations, encompassing international privacy inquiries, sensitive data classification research reviews, and vendor assessments
- Broadened program scope to include "privacy by design" engagements focused on information access and handling practices that reduce the likelihood of data breach or mishandling

Sponsored Programs Assurance

- Provided post-audit advisory support for management commitments presented in multiple audit reports
- Identified opportunities to leverage existing institutional technology to improve clinical research internal control environment
- Delivered an interactive, case-based internal controls workshop at the Duke University Annual Research Administration Symposium

KEY GROUP ACCOMPLISHMENTS (Continued)

Institutional Ethics & Compliance Program

- Focused on compliance maturity initiatives for program design, statute and effectiveness
- Reinvigorated the institutional compliance program with key leadership hires
- Launched the compliance program assessment process
- Established two critical compliance advisory committees: Institutional Compliance Advisory Committee and the Compliance Leaders Group

Compliance Services

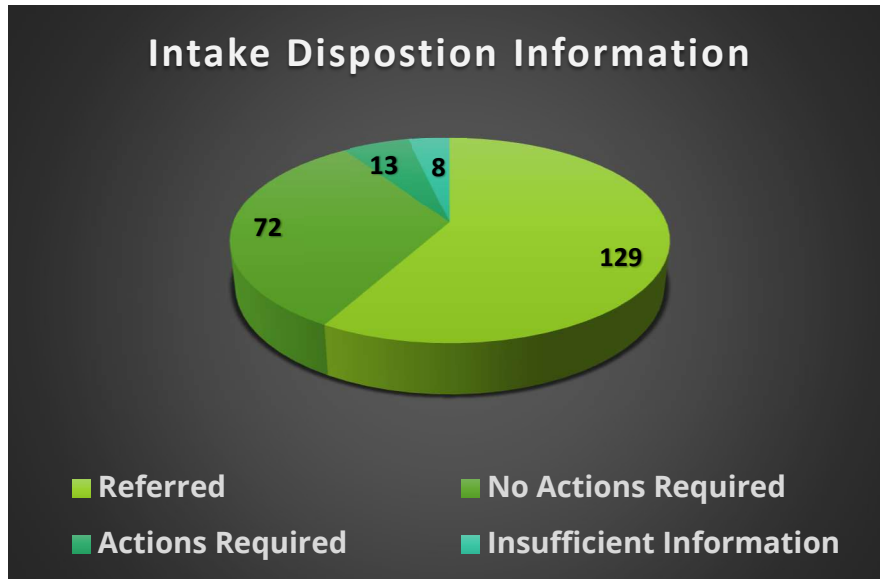
- Triage partnership expansion into topical areas including: Facilities, IT and pre and post award management offices
- Development of fable-style vignettes to enable awareness and education on common concerns and to provide information on incentives and corrective actions
- Coordination with HR to update Nepotism (Hiring of Relatives) Policy and ongoing partnership with Central, Campus and SOM HR to establish and monitor nepotism management plans

ERM

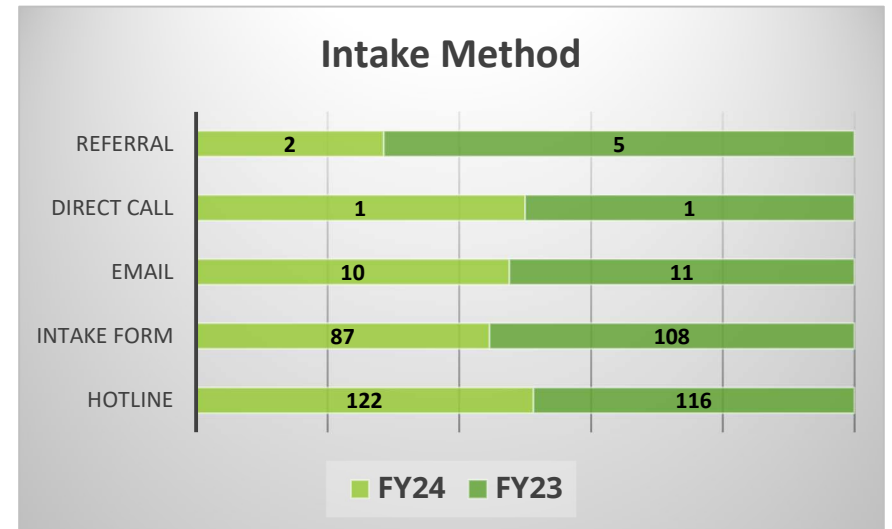
- Elevating risk action plan effectiveness through multi-faceted focus
- Clearly linking strategic risk priorities and governance visibility with the Board of Trustees and board committees
- Raising awareness of emerging risk areas and incorporating into risk management concepts earlier

COMPLIANCE SERVICES HIGHLIGHTS

The following charts represent concerns that flowed through OARC Compliance Services reporting channels during FY24 and FY23 and were either triaged to other offices or handled directly by OARC.

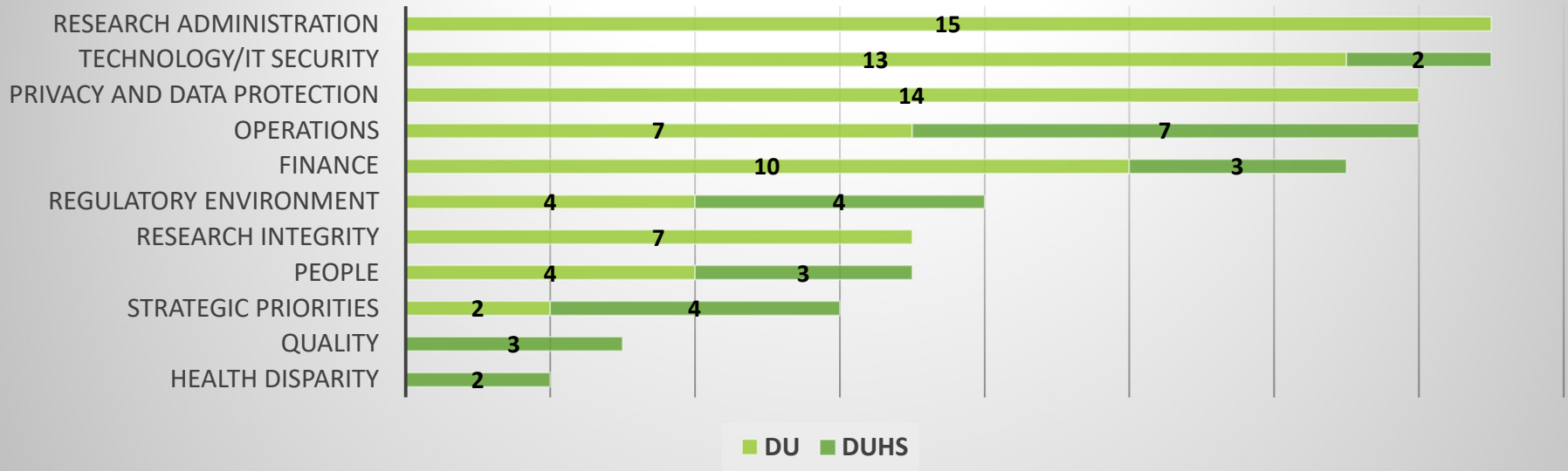


OARC Compliance Services actively reviewed 13 concerns in FY24, performing investigations, and issuing memos for three cases. For the other ten items, the team collected additional information and then coordinated and led meetings across institutional functions to ensure appropriate handling of each concern.

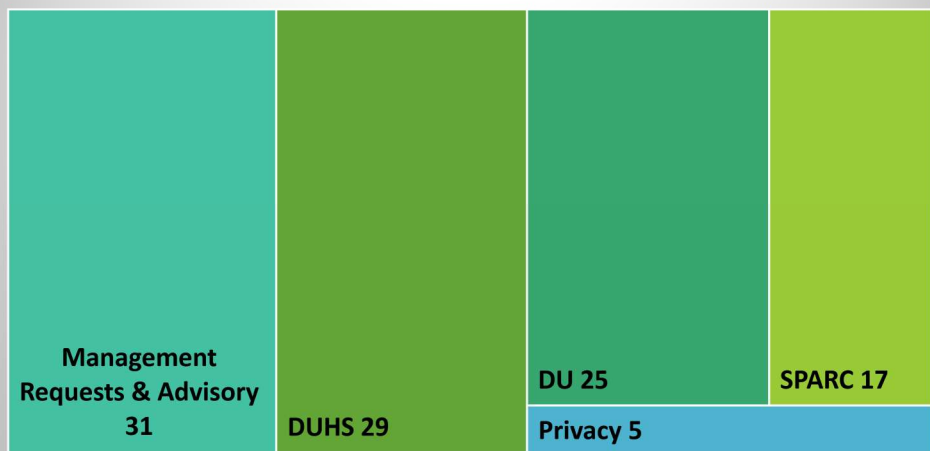


ASSURANCE PROGRAM HIGHLIGHTS

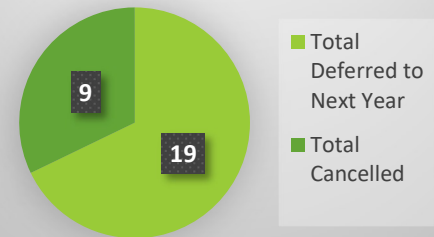
FY24 Work Plan by Risk Category (104 Engagements)



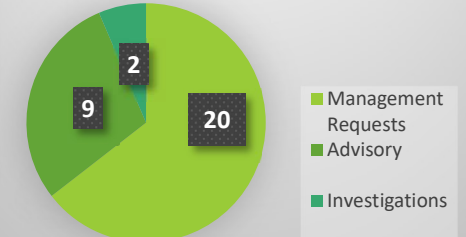
FY24 Plan Year in Review: 107 Completed Engagements



FY24: 28 Deferred and Cancelled



FY24: 31 Engagements Added



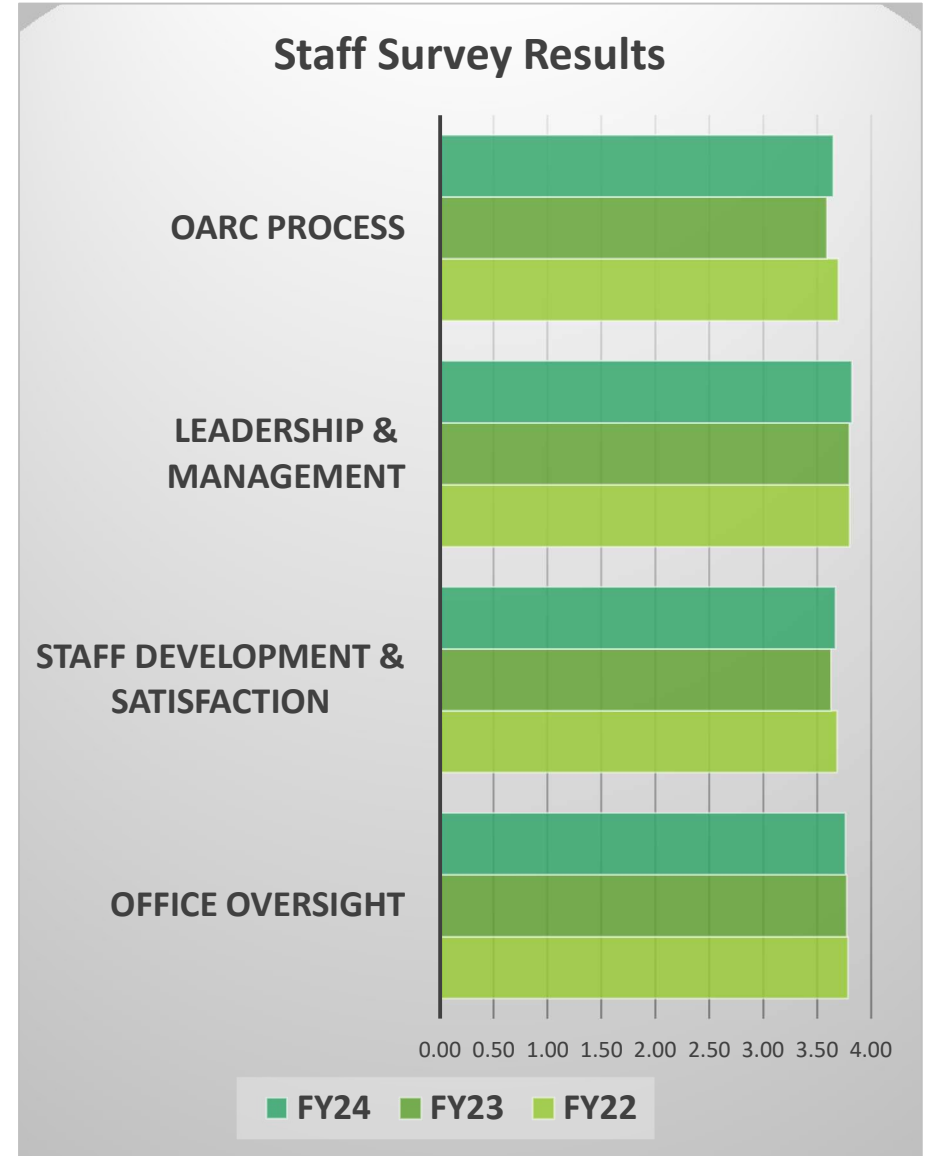
CONTINUOUS IMPROVEMENT

Under professional standards issued by the Institute of Internal Auditors (IIA), a quality assurance review (QAR) is required at least every five years. A QAR helps to identify areas of improvement that can increase effectiveness and organizational value, identify potential blind spots that can sometimes go undetected by those closest to the work, and enhance internal audit's credibility within and outside of the university.

The next QAR self-assessment with independent external validation will be conducted in the Fall of 2024 and will assess:

- **Internal Audit** activity for conformity with the 2017 Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing (the Standards), and the gap assessment as compared to the updated standards that become effective in 2025
- **Institutional Compliance** Program for alignment with the U.S. Department of Justice's Elements of an Effective Compliance Program (the Elements)
- **Enterprise Risk Management** program for alignment with Duke objectives and leading best practices

Deloitte has been engaged to perform the external quality assessment. They will review processes, documentation and conduct onsite interviews with OARC staff, Duke senior leaders and other key stakeholders. The QAR review will identify departmental strengths and provide recommendations for continuous improvement, which will be presented to the audit and compliance committees in early 2025.



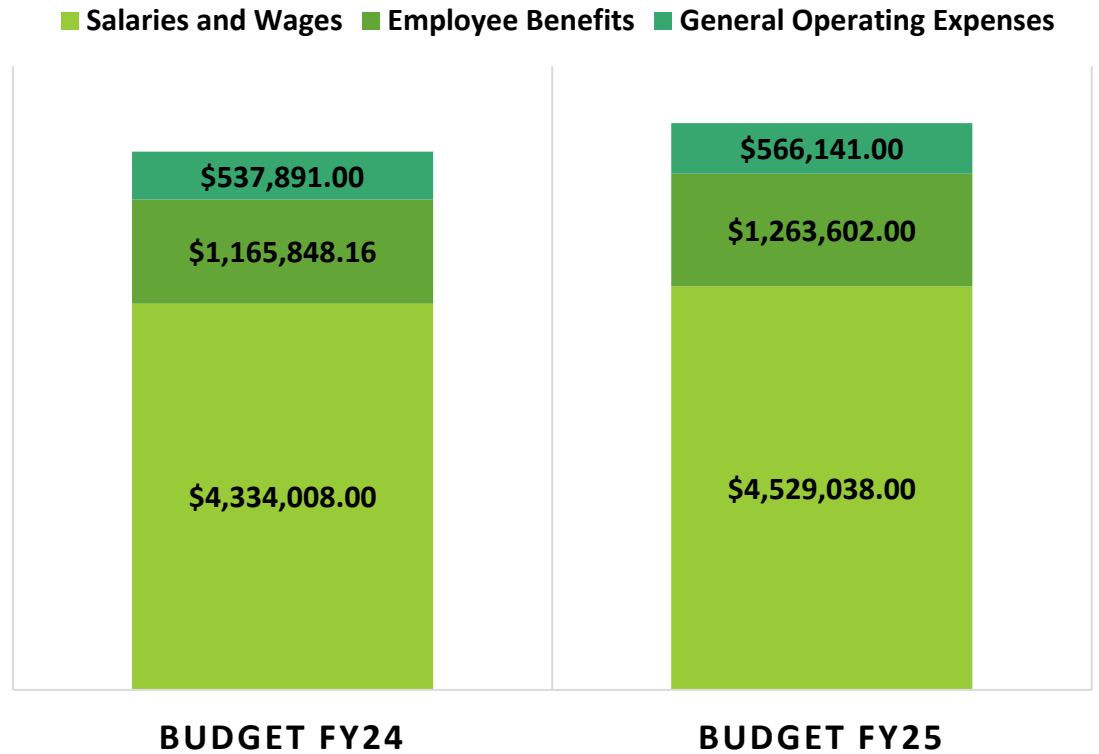
Our Financial Resources

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.

Our budget is developed and approved in February of each year 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 2024 favorable variance to budget. This provides us with strategic resources for physical space updates, software investments, professional development, and employee retention initiatives.

Budget FY25	\$6,358,781
Budget FY24	\$6,037,747

FY24 -FY25 BUDGET COMPARISON



Our Commitment to DEI & Belonging

We are dedicated to fostering a workplace where diversity is celebrated, and equity is upheld. Our goal is to create an inclusive environment where individuals from various backgrounds can thrive and contribute their best.

Diversity

We believe diversity drives innovation and excellence

Inclusive Recruitment:

Attracting a diverse pool of candidates to reflect a wide range of backgrounds and experiences.

Cultural Celebrations:

Hosting events that celebrate our team's cultural richness and foster mutual respect.

Belonging

We strive to create an environment where everyone feels welcome and valued

Open Communication:

Encouraging safe, honest dialogue for sharing ideas and feedback.

Employee Recognition:

Celebrating achievements and milestones, highlighting individual and team contributions.

Equity

We aim for a fair workplace where everyone has the opportunity to succeed

Equitable Policies:

Regularly reviewing policies to ensure fairness in compensation and development opportunities.

Supportive Channels:

Providing clear processes for raising concerns and discussing issues to ensure everyone's voice is heard.

Success

We actively support professional growth and personal well-being

Professional Development:

Providing learning opportunities and mentorship to advance careers.

Wellness Initiatives:

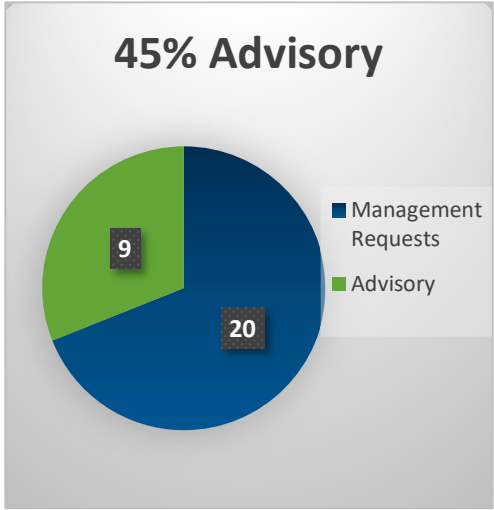
Prioritizing well-being through offering flexible work schedules to supportive work-life balance.

Celebrating Success

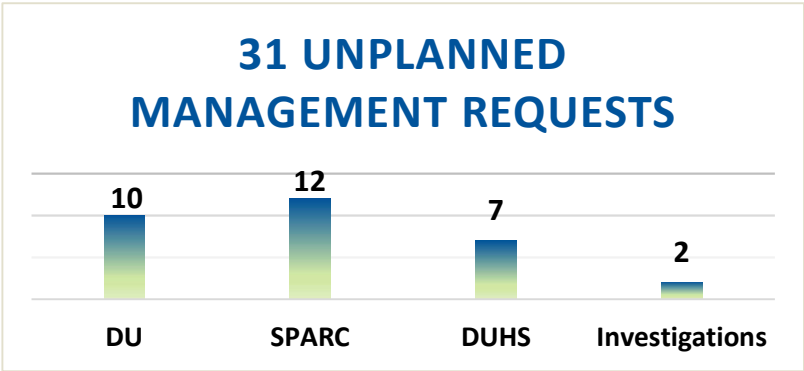
Compensation as of % Market Target



Delivering Value



32
Working Groups



OARC's turnover rate improved significantly from 17.14% in FY23 to 12.5% in FY24



Learning and Contributing

Conferences

21 National **2** Regional

18 Presentations

Across OARC Teams

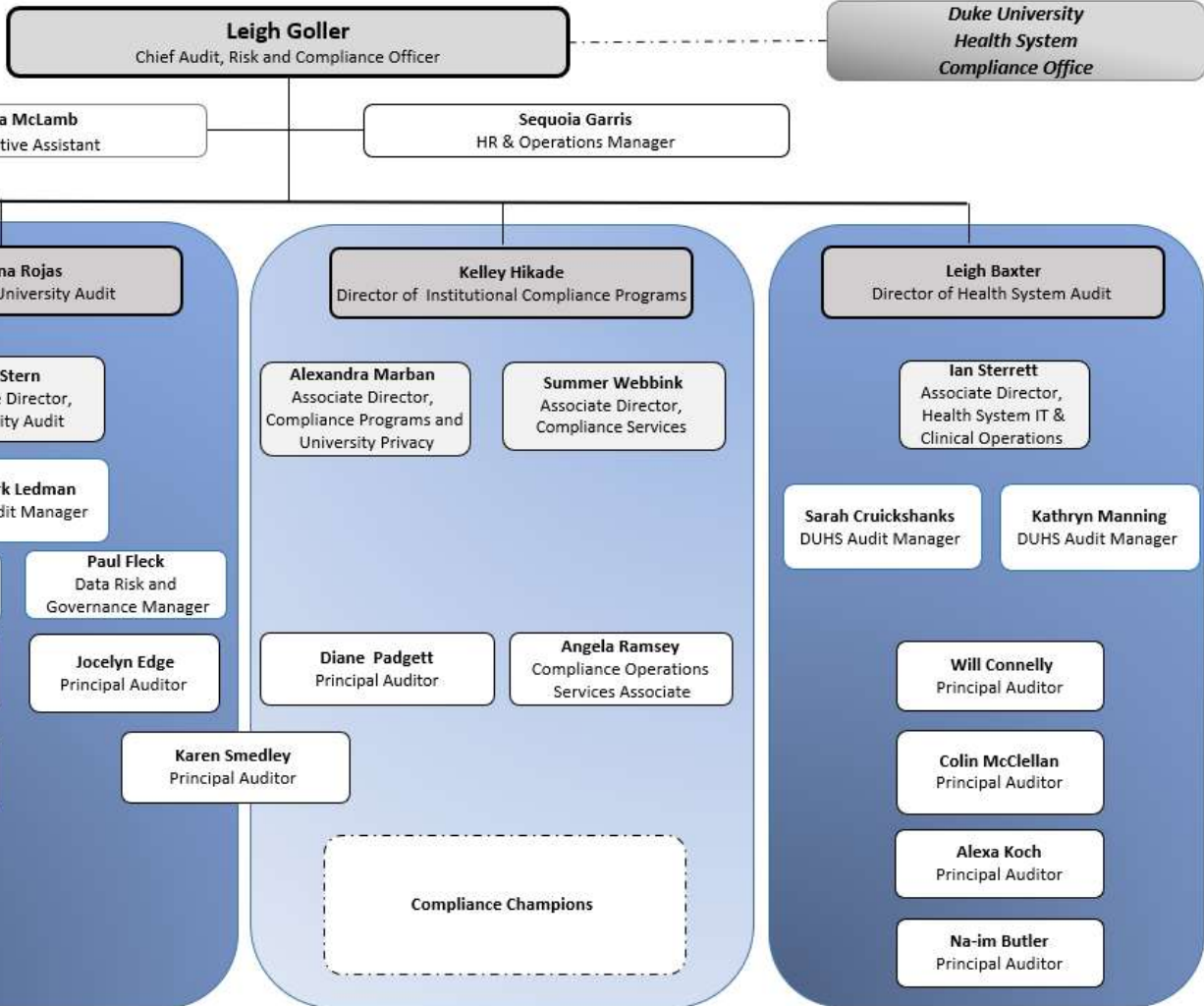
Meaningful Learning

Throughout the year, our 3rd Thursday staff meetings and annual retreat served as key opportunities for team collaboration and professional development.

‘Trust in OARC: Navigating Together’ Staff Retreat	
Cybersecurity Awareness and Best Practices: Protecting Ourselves and Our Institution	Impactful Programs and Community Initiatives
Duke Climate Commitment Initiative	Exploring Financial Successes and Challenges in the Post-COVID Era

Our Team

Duke | OFFICE of
AUDIT, RISK & COMPLIANCE



The Value of Reflection

As we conclude another year, it's essential to take a moment to reflect on our journey—both the milestones we've achieved and the challenges we've overcome. Reflection is not merely a pause; it's a strategic tool that allows us to distill lessons from our experiences, recognize the factors that contributed to our successes, and identify opportunities for growth.



“I am pleased with the cross-team interactions and the dynamic engagement among our staff and clients. The caliber and attitude of our team members are exceptional in how they support Duke’s Values and our culture. I am so proud of the progress we have made to ensure competitive compensation and meaningful opportunities for professional growth. We are also effectively aligning our mission-supporting work with work-life balance, which is crucial for ongoing team engagement. We are exactly where we need to be to enable creativity in our work plans, ensure alignment with strategic risks, focus on the value we deliver to Duke, and enable purpose-driven professionals to provide outstanding assurance services.”

- Leigh Geller, CARCO

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.

Kelley Hikade – Director of Institutional Compliance Programs. Kelley leads the institutional compliance program, which is responsible for guiding the university privacy program, institutional compliance services (dual interests management, sanction and debarment monitoring, case management coordination) and an effective federated compliance structure across the university. Kelley holds a Bachelor of Business Administration degree (International Business) and a Master of Business Administration degree (Marketing) from the University of Memphis and a Pharmaceutical and Medical Device Compliance and Law Certification from Seton Hall University, School of Law.

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.

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 **Alexandra Marban** (compliance and privacy). Ian, Ken, Summer, Krista, and Alexandra 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.

OARC is committed to meet our clients "where they are"

A word cloud of various terms representing OARC's values and commitments. The words are arranged in a roughly circular pattern. The largest and most prominent words are 'excellence', 'respect', and 'discover'. Other significant words include 'trust', 'performance', 'equity', 'diversity', 'growth', 'partners', 'integrity', 'mission', 'resolution', 'collaborative', 'helpful', 'approachable', 'cohesive', 'innovation', 'stewardship', 'reporting', 'inclusion', 'present', 'assurance', 'strategic', 'smart', 'reporting', 'integrity', 'mission', 'resolution', 'stewardship', 'reporting', 'inclusion', 'present', 'assurance', 'strategic', 'smart'. Smaller words include 'accountability', 'professional', 'quality', 'protection', 'achieve', 'culture', 'educate', 'initiatives', 'growth', 'partners', 'performance', 'strategic', 'smart', 'trust', 'inclusion', 'present', 'assurance', 'strategic', 'smart', 'approachable', 'helpful', 'collaborative', 'cohesive', 'innovation', 'stewardship', 'reporting', 'inclusion', 'present', 'assurance', 'strategic', 'smart'. The words are in various colors, including shades of green, blue, and black, and some are in italics.

accountability professional quality protection
p achieve culture **excellence** g
u educate diversity initiatives o
r equity **respect** growth partners a
p **respect** reporting integrity l
o performance *reporting* integrity s
s **discover** *stewardship*
e strategic smart **discover** mission
innovation **trust** inclusion
cohesive **trust** assurance present resolution
approachable helpful present
collaborative