Cape Charles Beach, Northampton County

EXECUTIVE COMMITTEE MEETING

September 18, 2024

VEDP | Virginia Economic Development Partnership
VEDP.org

<u>DRAFT AGENDA</u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY
EXECUTIVE COMMITTEE MEETING
September 18, 2024
3:30 P.M. - 4:30 P.M.

901 East Cary Street
James Center One, Board Room, 9th Floor
Richmond, VA 23219

3:30 p.m. – 3:33 p.m.	**Welcome/Call to Order** - Bill Hayter, Chair
3:33 p.m. – 3:35 p.m.	**Public Comment Period**
3:35 p.m. – 3:37 p.m.	**Approval of Minutes for 06.12.24 Meeting**
3:37 p.m. – 3:45 p.m.	**President's Report** - Jason El Koubi
3:45 p.m. – 3:53 p.m.	**FY25 Revised Risk Assessment and Audit Plan** – FORVIS ⁻ Action Item - Vote to Accept
3:53 p.m. – 4:25 p.m.	**CLOSED SESSION: Quarterly Performance Update; Personnel**
4:25 p.m. – 4:27 p.m.	**Return to Open Meeting and Certification of Closed Meeting**
4:27 p.m. – 4:29 p.m.	**Votes on Closed Session Items**
4:29 p.m. – 4:30 p.m.	**Topics for Next Meeting**
4:30 p.m.	**ADJOURNMENT**

Minutes
Executive Committee Meeting
Board of Directors of the Virginia Economic Development Partnership Authority
June 12, 2024
2:30 p.m. – 4:00 p.m.

901 East Cary Street
James Center One, Board Room – 9th Floor
Richmond, VA 23219

Welcome and Call to Order

The meeting was called to order at 2:57 p.m. by Chair Bill Hayter, who noted that a quorum was present.

In-Person Committee Members:	Carrie Chenery, Rick Harrell, Bill Hayter, John Hewa, Secretary Caren Merrick, Marianne Radcliff, and Nick Rush
Committee Members Absent:	Secretary Stephen Cummings
Other In-Person Board Members:	Mimi Coles, Stephen Edwards, Pace Lochte, Will Sessoms, and Steven Stone

Public Comment Period

Chair Hayter solicited public comments. There were none.

Approval of Minutes for 03.06.24 Meeting

Chair Hayter asked for approval of the minutes from the March 6, 2024, Committee meeting. A motion was made by Mr. Harrell and seconded by Secretary Merrick and the motion was unanimously approved.

President's Report

Due to the Committee's delayed start and in order to reserve time for priority topics, Jason El Koubi said he would postpone sharing his President's Report until the full Board meeting on June 7.

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Board Retreat Discussion

Stephanie Agee discussed initial plans for the upcoming Board of Directors retreat.

Ms. Agee reviewed the proposed retreat format, which will be facilitated by an outside consultant.

Chair Hayter emphasized his support for the retreat plan. He asked if members would be asked to complete any prework in preparation. Ms. Agee answered that Board members will have the opportunity to speak with the facilitator in advance to offer any general thoughts and to share what they would like to get out of the retreat.

Ms. Chenery suggested a pre-retreat survey be sent to attendees. She also suggested that VEDP consider hosting a future Board meeting outside of Richmond.

Closed Meeting

A motion was made by Mr. Hewa and seconded by Secretary Merrick to move into a closed meeting. The motion shown below was unanimously approved by the members.

I move that the Executive Committee of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss elements of VEDP's Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth's competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth.

Chair Hayter invited VEDP staff and legislative guests to stay for the closed meeting.

Back in Open Meeting, Certification of Closed Meeting – Followed by a Roll Call vote:

Ms. Wallmeyer read the following certification and then conducted a roll call vote:

Do you certify that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed session, and (ii) only such matters as were identified in the motion to go into the closed session were heard, discussed, or considered during the closed meeting?

Upon the vote:	Mr. Hayter	Aye
	Ms. Chenery	Aye
	Mr. Harrell	Aye
	Mr. Hewa	Aye
	Secretary Merrick	Absent for the vote
	Ms. Radcliff	Aye
	Mr. Rush	Aye

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Mr. Rush made a motion to approve the FY25 performance metrics. The motion was seconded by Ms. Radcliff, and the motion passed. Secretary Merrick was absent for the vote.

Next Meeting and Adjournment

The next meeting of the Executive Committee will be held on September 18, 2024, exact time TBD. There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Nicole David
Acting Recording Secretary

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PRESIDENT'S REPORT

September 2024

VEDP | Virginia Economic Development Partnership
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TOPICS FOR TODAY

VEDP'S INTERNATIONAL TRADE DIVISION IS ON TRACK TOWARD ITS GOAL OF ENROLLING 500 COMPANIES IN FY25

International Trade Performance Metrics and Progress[1]
July 1, 2024 to August 28, 2024

■ Actual   ■ Remainder to goal

Number of companies enrolled in VEDP's trade programs

Goal: 500
25%
124

0%   25%   50%   75%   100%

International sales attributed to VEDP's trade programs

Goal: $1B
Data will be available in Sep. 2025

0%   25%   50%   75%   100%

Trade-supported jobs from companies enrolled in VEDP's trade programs

Goal: 9,000
Data will be available in Sep. 2025

0%   25%   50%   75%   100%

Takeaway

25%
Progress toward enrolling 500 companies in the current fiscal year

$1.5B
International sales attributed to VEDP's trade programs during FY23, the most recent year data is available[1]

13,123
Trade-supported jobs from companies enrolled in VEDP's trade programs during FY23, the most recent year data is available[1]

[1]FY24 data for international sales and trade-supported jobs will be based on client surveys submitted in August 2024. This data will be available in October 2024.
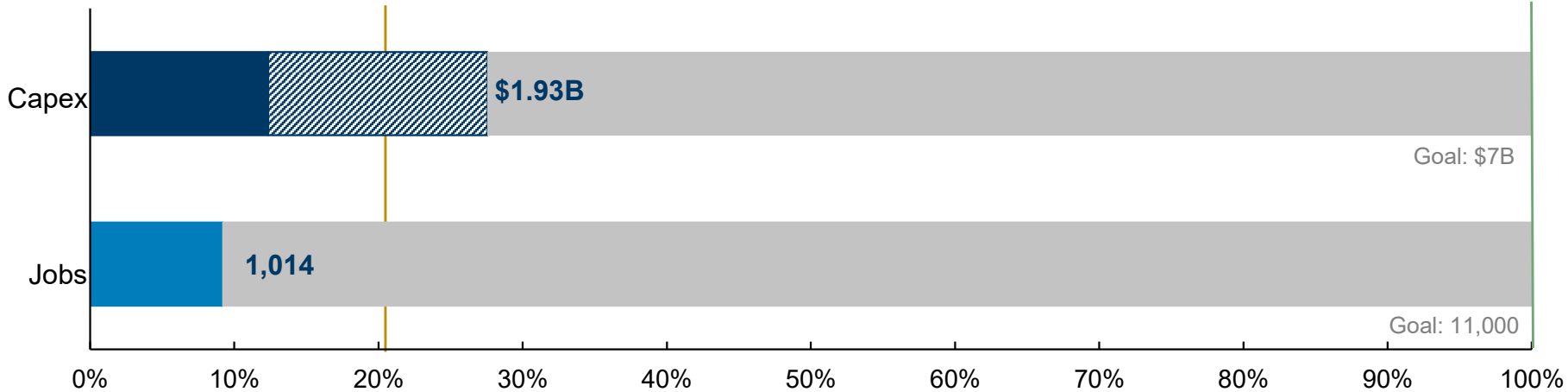
PROGRESS AND PIPELINE FOR VEDP-ASSISTED PROJECTS FY25 TO-DATE JULY 1, 2024 – SEPTEMBER 10, 2024 (21.2% THROUGH FY25[1])
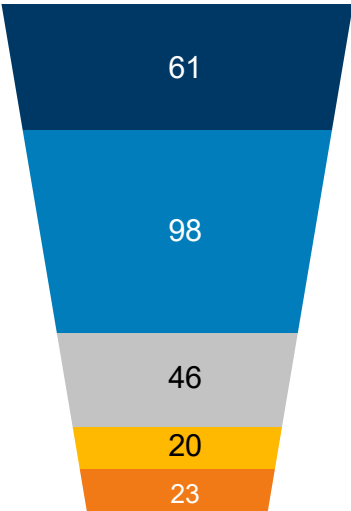
VEDP-Assisted Project Decisions
N = 13

- ■ Non-data center projects
- ▨ Data center projects
- ■ Remainder to goal

Capex: **$1.93B** | Goal: $7B
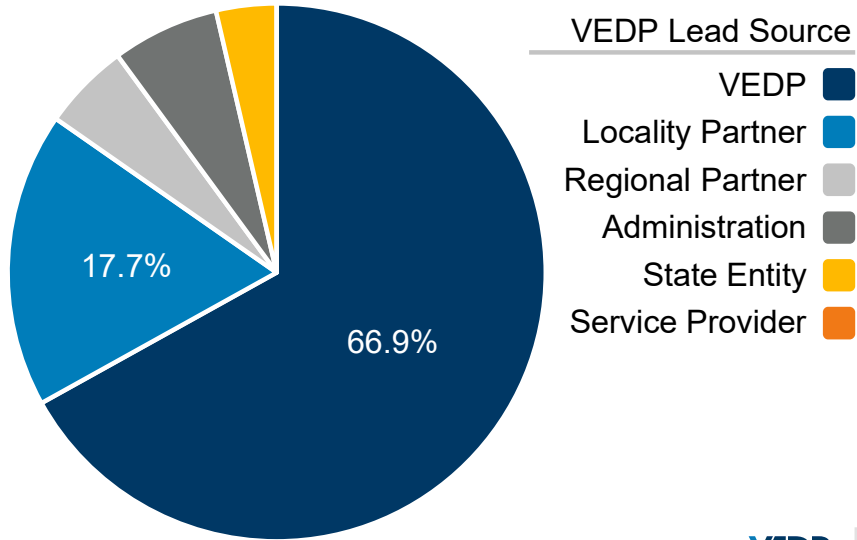
Jobs: **1,014** | Goal: 11,000

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

VEDP Open Pipeline (248)

Funnel	Stage	
61	**Lead**	Opportunities: 61 | Jobs: 14,469 | Capex: 15.1B
98	**Info Gathering**	Opportunities: 98 | Jobs: 23,000 | Capex: 53.6B
46	**Active**	Opportunities: 46 | Jobs: 27,282 | Capex: 31.7B
20	**Proposal**	Opportunities: 20 | Jobs: 5,784 | Capex: 6.6B
23	**Pre-Announcement**	Opportunities: 23 | Jobs: 2,369 | Capex: 0.6B

% of VEDP Leads for Open Pipeline

66.9% — VEDP
17.7% — Locality Partner

VEDP Lead Source
- ■ VEDP
- ■ Locality Partner
- ■ Regional Partner
- ■ Administration
- ■ State Entity
- ■ Service Provider

[1]Calculated by the number of weeks (out of 52) into the fiscal year

FY25 OPERATIONAL PLAN TRACKER: MAJOR INITIATIVES (1 OF 2)

Major initiative	Primary owner	Status (% complete)	Progress updates	Next steps
1. Enhance lead generation capabilities across core sectors and additional target industries	EVP (Atwal, Jehu, Miller, Sniffin)	🟢 20%	Established lead gen goals; launched FY25 lead gen target campaigns; finalized team and individual lead gen performance metrics	Hire EVP; enhance lead generation processes and targeting for FY26
2. Accelerate Virginia's competitiveness in core sectors through enhanced sector depth and ecosystem building	EVP (Atwal, Jehu, Sniffin, Devan, Riley)	🟢 20%	Planned three regional ecosystem workshops; launched hiring processes for Industry Director, A&D Innovation and AVP, Manufacturing	Execute three regional ecosystem meetings planned for Sept. and Oct.; finalize hiring for A&D and Manufacturing roles; coordinating WOG biopharma strategy
3. Develop and execute a statewide talent retention and attraction marketing campaign [subject to funding]	Begnaud (Stuller/Melvin)	🟢 10%	Secured one-time funding from VEDP and Team Virginia to initiate development of the campaign; established initial scope and timeline of campaign	Engage partners across the Commonwealth to establish scope and priorities of campaign to begin creation in second half of FY25; build case for funding talent-focused marketing
4. Launch a comprehensive strategy to establish Virginia as a top state for talent to drive economic growth	Devan (El Koubi, Melvin, Stuller, Oldham)	🟢 20%	Aligned on focus areas with workforce strategic brain trust; began recruiting for VEDP's talent and workforce lead; engaged top universities on work-based learning needs; supported working group to increase VTOP utilization	Expand work-based learning as a driver of talent retention and alignment; address housing challenges to attract talent; expand efforts to retain veterans in VA; identify top priority occupations with supply/demand gaps
5. Strategically invest in Virginia's site portfolio and increase collaboration with public and private partners	Dreiling	🟢 20%	Announced FY24 VBRSP grant selections, totaling $126M across 23 sites; finalized VBRSAP guidelines with DGS and OAG; began working with finalist site partners	Develop and finalize FY25 VBRSP guidelines for Site Characterization and Develop. Grants; launch FY25 application process; continue collaborating with partners to drive site development in VA
6. Refine and enhance VEDP's site consultant cultivation program	Begnaud (Miller)	🟢 10%	Established staffing for 27 events in FY25; developed plans for new custom in-bound event (Solheim Cup) and sponsorship of 3 national events in Q1	Execute Secret Dinner event in SWVA (Oct); begin planning (3) Fam Tours and Virginia Consultants Forum; establish internal stakeholder planning cmte.

Updated September 4, 2024

🟩 On schedule to meet goals   🟨 Behind and/or facing challenge   🟥 May not meet goals

FY25 OPERATIONAL PLAN TRACKER: MAJOR INITIATIVES (2 OF 2)

Major initiative	Primary owner	Status (% complete)	Progress updates	Next steps
7. Execute strategies for engaging local elected officials, capturing federal grants, and building rural economic development capacity	Riley (Wescott, Watkins)	🟢 10%	Coordinated with select partners on first phase of local elected officials education initiative; developed initial work plan for rural federal grants strategy	Refine rural federal grants strategy in coordination with select partners and PDCs; hold focus groups with select partners for local elected official education
8. Execute VOEE's priority deliverables and launch a communications strategy to increase awareness of VOEE's insights	Oldham	🟢 15%	Developed tools to help employers identify skillset compatibility across occupations; launched stakeholder communications planning effort; hired new analyst	Hire a support role and third analyst; test new CTE, Registered Apprenticeship, and high-demand skills visualizations; conduct testing on skillset compatibility tool; begin evaluating draft CIP to SOC crosswalk
9. Refine and accelerate VEDP's comprehensive strategy for engaging strategic partners	Riley (Wescott)	🟢 10%	Launched hiring process for Manager and Assoc. Manager positions; launched FY25 Partner Relations Team initiative	Finalize hiring of Manager and Assoc. Manager; design a structured partner awareness strategy
10. Implement next phase of internal Talent Management Strategy and training program for VEDP managers and leaders	Agee (Cox, Boone)	🟢 20%	Launched LEAD VEDP program; continued progress on Career Framework development with alignment on VEDP core and management competencies; initiated FY24 performance evaluation process in Lattice	Finalize Career Framework, rollout to leadership and staff, and prepare for trainings; install VEDP VAlues artwork; complete FY24 performance evaluations by 9/30; finalize PDs and performance compensation for FY25
11. Launch and implement new governance model for salesforce and implement the FY25 work plan	Hartka (Heath)	🟢 25%	New governance model set up and 2 SteerCo meetings held; basic processes developed; work kicking off on FY25 workplan	Refine processes and tools; continue to cultivate understanding of roles and responsibilities under new model; launch new pre-work process for new projects kicking off in August/September

Updated September 4, 2024

🟩 On schedule to meet goals   🟨 Behind and/or facing challenge   🟥 May not meet goals

NOTABLE DEVELOPMENTS SINCE OUR LAST BOARD MEETING

- Continued engagement in business dev. activity and cultivation of opportunities, incl. announcement of largest-ever private sector capex project in Hampton Roads history

- Secured no. 1 in CNBC America's Top State for Business ranking, in part based on strength of VEDP's site development efforts (infrastructure is now top-weighted category)

- Awarded a total of $126 million in VBRSP site development grants for 23 sites across the Commonwealth

- Welcomed 14 new companies to Virginia Leaders in Export Trade (VALET) Program and celebrated the graduation of 11 companies (July 2024)

- Began developing VEDP budget and legislative priorities for the 2025 General Assembly session, plus increased engagement with General Assembly members

- Released VA Office of Education Economics' (VOEE) 2024-25 Annual Research Plan

- Published Q2 2024 issue of *Virginia Economic Review:* "Where It All Falls Into Place," focused on the state of the supply chain in an increasingly global, post-pandemic world

- Kicked-off inaugural cohort of LEAD VEDP Program

- Held VEDP Quarterly All-Staff Meeting (August 2024) and first-ever VEDP Executive Leadership Team retreat (August 2024)

TOP PRIORITIES FOR THE NEXT FEW MONTHS

- Focused lead generation in new operating model, along with selected "second wave" additions to sector teams

- Finalize budget and legislative requests for 2025 General Assembly session

- Continued engagement with General Assembly members to generate greater understanding and support for key economic development priorities

- Effective implementation of major initiatives in FY25 Operational Plan (e.g., Top State for Talent strategy, site development, site consultant cultivation)

- Complete searches for VEDP leadership roles (e.g., EVP, talent strategy leader)

- Finalize VEDP's FY24 Annual Report covering key activities and accomplishments

- Complete annual staff evaluations and goal setting (by 9/30)

- Continued integration of VEDP Purpose and Values

THANK YOU

FORVIS MAZARS
DRAFT AUDIT UPDATE FY25

Virginia Economic Development Partnership

Internal Audit Risk Assessment for FY25

August 12, 2024

Table of Contents

Objective, Scope, and Procedures

Objective:

Our objective was to complete the annual, Virginia Economic Development Partnership (VEDP), internal audit risk assessment and develop the internal audit plans for FY25 through FY 29.

It is important to note that the risks identified in this report do not necessarily indicate known control weaknesses. Control weaknesses can only be determined after evaluating the design and operating effectiveness of controls intended to mitigate or manage risks.

Scope:

The scope of this risk assessment includes the functional areas at VEDP and the related risks. The risk ratings by functional area are documented below in the Functional Area Risk Table and the specific risks by functional area are shown in Appendix A: Functional Area Risks & Rankings.

Procedures:

During our work we collaborated with VEDP to perform the following procedures:

Phase 1 - Identify Functional Areas	Phase 2 - Identify Risks for each Functional Area	Phase 3 - Risk Categories	Phase 4 - Risk Ratings and Plotting Risk Scores on a Heat Map	Phase 5 - Draft the Proposed FY 25 - FY 29 Audit Plan
We did research and used our experience with VEDP to develop and document the list of functional areas.	We conducted interviews with VEDP staff and did research to identify risks for each functional area.	We used the following eight risk categories when assessing risk for each functional area: compliance, financial, fraud, technology, operational, reputation, strategic, and audit.	For each functional area, we assigned a risk score for impact and likelihood for each risk category. We plotted the average score for impact and likelihood for each functional area on a heat map.	We used the risk assessment, past audit results and length of time since functional areas were last audited to draft the FY 25- FY29 Audit Plans.

Phase 1 – Identify Functional Areas and Phase 2 – Identify Risks for each Functional Area

To complete Phase 1 – Identify Functional Areas and Phase 2 – Identify Risks for each Functional Area we did the following:

1. We accessed and reviewed:
    - VEDP's Website
    - VEDP's Organizational Chart
    - VEDP's Operational Plan
    - Various VEDP Policies and Procedures
    - Recent external audits of VEDP performed by the Auditor of Public Accounts (APA)
    - Other documentation specific to individual VEDP functional areas
    - Recent internal audits that we performed.

2. We performed approximately 20 interviews or surveys, which included the following:
   - The Chair of VEDP's Board of Directors
   - The Chair of the Finance and Audit Committee (FAC) of VEDP's Board of Directors
   - The VEDP Executive President and CEO
   - The leaders from each VEDP functional area

3. The work we completed allowed us to compile the list of functional areas (see the Functional Area Risk Table) and the listing of potential risks by functional area (see Appendix A - Functional Area Risks & Rankings).

Phase 3 – Risk Categories

For each VEDP functional area, we assessed the impact and likelihood of the following risk categories: compliance, financial, fraud, technology, operational, reputation, strategic, and audit.

Phase 4 – Risk Ratings and Plotting Risk Scores on a Heat Map

We judgmentally assigned a score from 1 to 5, as defined by management, for both the impact and likelihood for each of the eight risk categories for each functional area. The impact and likelihood scale definitions we used for scoring are defined in the following table titled Risk Scoring Criteria. The scores were determined based on the data identified during Phases 1 and 2. The impact and likelihood scores for each functional area, by individual risk category, can be seen in Appendix A: Functional Area Risks & Rankings along with the list of risks for each functional area.

Risk Scoring Criteria		
Score	Definition – Impact	Definition – Likelihood
1	**Insignificant** (Minor Costs and critical functions are not impaired)	**Remote** (0-10% Likely)
2	**Low** (Minor Costs with an inconvenient impact on critical business functions)	**Unlikely** (10-25%)
3	**Moderate** (Impaired critical business functions)	**Possible** (25-50%)
4	**High** (Inability to remain competitive or significant impact on strategic plan)	**Likely** (50-90%)
5	**Major** (Threats challenge the going concern status of the organization)	**Probable** (90-100%)

To identify the overall risk rating for each functional area, we averaged the impact and likelihood scores for each of the eight risk categories, and the sum of the two gave us the total risk score. See the following Functional Area Risk Table for these risk ratings and impact and likelihood scores.

Functional Area Risk Table

Functional Area	Impact	Likelihood	Total Risk Score
Information Technology	4.25	3	7.25
Fiscal and Support Services	3.5	2.875	6.375
Incentives	3.5	2.75	6.25
Virginia Talent Accelerator Program	3.125	2.875	6
Logistics, Manufacturing, Knowledge Work (LMKW)	3.125	2.875	6
Virginia Office of Education Economics	3.125	2.875	6
Deal Support	3	2.875	5.875
Strategic Projects and Lead Generation	3	2.875	5.875
Business Investment	3	2.75	5.75
Real Estate Solutions	3.25	2.5	5.75
International Trade	3.125	2.625	5.75
Regional Talent Solutions and Business Outreach (RTSBO)	3	2.625	5.625
Human Resources (HR)	2.75	2.875	5.625
Economic Competitiveness	3	2.625	5.625
General Counsel	2.75	2.75	5.5
Research	2.5	2.5	5
External Affairs	2.5	2.5	5
Marketing and Communications	2.375	2.375	4.75

The average risk score for impact and likelihood for each functional area was used to create a data point on a heat map. A risk heat map is a visualization tool used in risk management to assess and prioritize risks based on their potential impact and likelihood of occurrence and uses a color scale to represent values. The colors help visually convey the intensity or magnitude of the data being presented.

The data points on the heat map were plotted as follows:

- Horizontal Axis (X): Indicates the impact that the risk would have on VEDP's objectives or goals if it were to materialize.
- Vertical Axis (Y): Represents the likelihood of a given risk materializing. In other words, it shows how probable it is for the risk event to occur.

Risk Heat Map
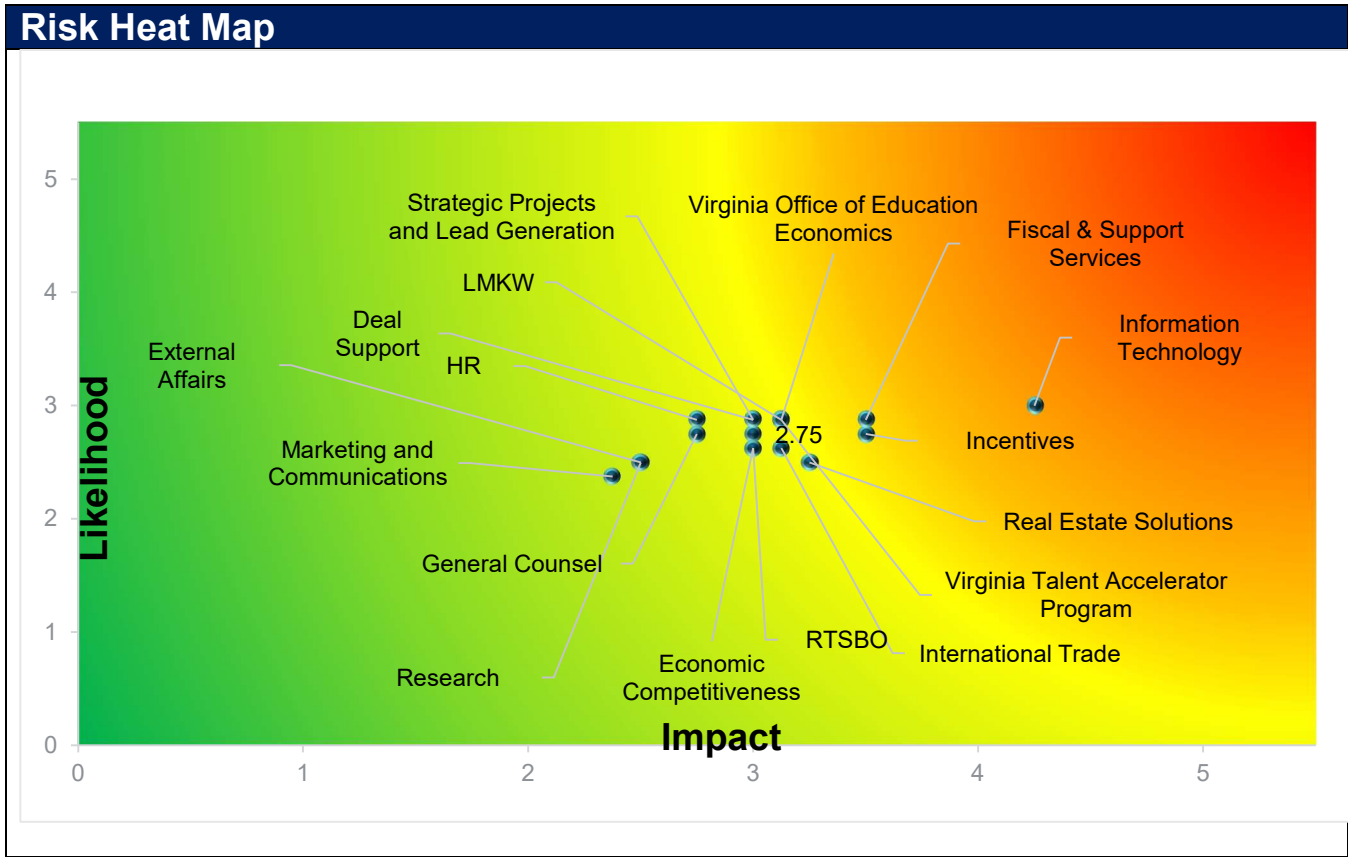
Phase 5 – Draft the FY25 – FY29 Proposed Audit Plans

After performing the risk assessment, compiling the results, considering past audit results and length of time since functional areas were last audited, and consulting with VEDP, we drafted the Proposed FY25 through FY29 Audit Plans. The Audit Plans are a tool to help VEDP make business risk decisions. However, VEDP management, in consultation with the Board, are responsible for determining the timing and extent of audit coverage based on their risk appetite and the number of resources they want to devote to the audit process.

Proposed Audit Plan

The following table depicts the Proposed FY25 through FY29 Audit Plans (Plans) for VEDP Management and the Board. Each Plan includes four audits per fiscal year, follow-up on management action plans, and the completion of the subsequent year's annual risk assessment. These are routine tasks that exist for any audit department.

The extent of audit coverage for FY25 through FY29 will be determined by VEDP Management and the Board based on the resources they want to leverage for the internal audit department. The audit plans for FY26 – FY29 is subject to change based on the results of the subsequent year's risk assessment.

Functional Area	Last Audit Date & Results		5 Year Plan				
	Report Date	# of Findings	FY25	FY26	FY27	FY28	FY29
Business Investment	1/5/2021	3-L	X				X
Deal Support	New in FY24	-			X		
Economic Competitiveness	1/19/2023	1-L					X
External Affairs	12/17/2021	0		X			
Fiscal & Support Services	4/1/2022	1-L				X	
General Counsel	12/13/2021	1-L					X
Human Resources	Jun-24	1-M				X	
Incentives	4/16/2020	1-L	X				
Information Technology	5/25/23	2-M, 3-L			X		
International Trade	1/5/2024	0				X	
Logistics, Manufacturing, Knowledge Work	New in FY24	-		X			
Marketing and Communications	4/15/2021	1-L	X				
Real Estate Solutions	1/25/2024	0				X	
Regional Talent Solutions and Business Outreach (RTSBO)	12/13/2022	0			X		
Research	6/2/2023	3-L			X		
Strategic Projects and Lead Generation	New in FY24	-		X			
Virginia Office of Education Economics	New in FY24	-	X				
Virginia Talent Accelerator Program	4/1/2022	1-M, 1-L		X			X
Annual - Action Plan Follow-up	N/A	N/A	X	X	X	X	X
Annual - Risk Assessment	N/A	N/A	X	X	X	X	X

Appendix A: Functional Area Risks & Rankings

For each of the functional areas, we ranked the impact and likelihood of each of the eight risk categories (compliance, financial, fraud, technology, operational, reputation, strategic, and audit) on a scale from 1 (lowest) to 5 (highest). The scores for each functional area are located in the tables below. The average impact and likelihood for each functional area was plotted on the heat map shown above.

Note: the colors used below for the Impact and Likelihood ratings for each functional area are defined in the Risk Scoring Criteria table shown above.

Functional Area – Business Investment

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	3
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	22
Average:	3	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Collaboration with external stakeholders
Management reporting and key performance measures	Confidentiality of company information and conflict of interest management
Cross functional processes / relationships / communication with other VEDP functions	External stakeholder feedback mechanisms
Employee training / development	Type and location of customers targeted
System integrity controls over data entry and reporting in Salesforce	Administration of business ready laws
Project documentation (timely, accurate, complete, etc.)	Cross divisional discussion about trade show success/issues
Project management	International contractor management

Functional Area – Deal Support

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	3	3
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	3	3
Total:	24	23
Average:	3	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Outreach center (scripting, metrics, lead generation, etc.)
Management reporting and key performance measures	Quality assurance for written communications
Cross functional processes / relationships / communication with other VEDP functions	Collaboration with internal stakeholders for Governor's Call program
Employee training / development	Creating contact list for trade shows
System integrity controls over data entry and reporting in Salesforce	Confidentiality of company information and conflict of interest management
Supporting lead generation strategy and planning	Feedback from campaign surveys and Governor's Call Program

Functional Area – Economic Competitiveness

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	3
Fraud	3	2
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	21
Average:	3	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	Statewide economic strategy collaboration / alignment
Management reporting and key performance measures	National Ranking initiative
Cross functional processes / relationships / communication with other VEDP functions	Performance measure development
Employee training / development	Benchmarking other states
Internal organizational assistance (onboarding, best practices, training, etc.)	Handling of confidential information
GO Virginia collaboration / alignment	Business ready sites

Functional Area – External Affairs

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	2
Fraud	2	2
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	20	20
Average:	2.5	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Partner relations and outreach (includes congressional / legislature relationships)
Management reporting and key performance measures	Identifying federal opportunities
Cross functional processes / relationships / communication with other VEDP functions	System integrity controls over data entry and reporting in Salesforce
Employee training / development	Budget preparation and development
Tracking of new legislation, budget amendments, etc.	Preparation of the VEDP Legislative agenda
Reporting to external stakeholders such as the legislature and external partners (accuracy, timeliness, etc.)	MEI Commission interaction
Rural development strategy and performance tracking	Community engagement

Functional Area – Fiscal and Support Services

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	4	3
Fraud	4	2
Technology	3	3
Operational	4	3
Reputation	4	3
Strategic	3	3
Audit	3	3
Total:	28	23
Average:	3.5	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Cash management / accounts receivable
Management reporting and key performance measures	Disbursements / accounts payable
Cross functional processes / relationships / communication with other VEDP functions	Lease management (Domestic and international)
Employee training / development	Split purchase monitoring
Payroll processing (approvals, leave, overtime, etc.)	Competitive bidding
Budget development / amendments / monitoring / reallocation of funds	Bulk purchases / economies of scale with purchasing
Segregation of duties	Purchase Card purchases / review / approval
Travel	Vendor and contract database
Wire transfer verification	Vendor and contract management (due diligence, contract language, ongoing monitoring, etc.)
Approval thresholds for certain transactions	Fleet management
Financial reporting	Virginia Tourism Corporation assistance
Facilities management	Insurance (property, travel, auto, workers compensation)
Account reconciliations	Entertainment expense reimbursement

Functional Area – General Counsel

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	3
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	22	22
Average:	2.75	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Non-disclosure agreements
Management reporting and key performance measures	Outsourcing of litigation
Cross functional processes / relationships / communication with other VEDP functions	Performance agreements for incentives
Employee training / development	FOIA requests
Compliance with local, state, federal and international laws, and regulations	Compliance with statutory requirements and qualifications for incentive packages
Protection of confidential information	Verify existence of business licensing (domestic and/or international)
Non-disclosure agreements	Transparency of communications

Functional Area – Human Resources

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	3	3
Reputation	4	3
Strategic	3	3
Audit	2	3
Total:	22	23
Average:	2.75	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	New hire orientation programs / onboarding
Management reporting and key performance measures	Recruiting / hiring practices
Cross functional processes / relationships / communication with other VEDP functions	Termination processing
Employee training / development	Fiscal related payroll assistance
Diversity program	Background checks
Performance evaluation process and calibration	Benefits administration
Rewards and recognition program	Overtime
Job descriptions / employee work profiles	Career pathing
New hire orientation programs / onboarding	Teleworking
Virginia Tourism Corporation assistance	Human resource information / management system

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	4	3
Fraud	4	3
Technology	3	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	28	22
Average:	3.5	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Project Review and Credit Committee assistance
Management reporting and key performance measures	VJIP client and grant reimbursements
Cross functional processes / relationships / communication with other VEDP functions	Incentive management and program compliance – reporting / monitoring of job creation, wages paid, capital expenditures, etc. (during and after performance period)
Employee training / development	Project Review and Credit Committee approval
Due diligence on companies	Claw back provisions
Incentives structuring (ROI analysis, etc.)	Adherence to performance extensions
System integrity controls over data entry and reporting in Salesforce	Business ready sites program

Functional Area – Information Technology

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	5	3
Technology	5	3
Operational	5	3
Reputation	5	3
Strategic	5	3
Audit	3	3
Total:	34	24
Average:	4.25	3

The following are risks identified for this functional area:

Written operational policies / procedures	Software licensing reviews
Management reporting and key performance measures	Change control process for new technology or enhancements to current technology
Cross functional processes / relationships / communication with other VEDP functions	SharePoint and other internal communication mechanisms
Employee training / development	Data usage / storage space capacity
Automation of business processes	System integrity controls over data entry and reporting
Impact of technology on successful implementation of the Operating / Strategic Plan	Segregation of duties and principle of least privilege controls within IT systems
IT vendor risk management (SOC reports)	Classification and identification of sensitive data within IT systems
Cybersecurity strategy and practices	Risk assessments for IT systems
Overall IT governance strategy	Employee IT training (security, data privacy, etc.)
Disaster recovery / business continuity / incident response	Compliance with VITA technology policies
Granting and terminating access to systems / applications /periodic user access review	Virginia Tourism Corporation assistance
System and application oversight / support	Succession planning

Functional Area – International Trade

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	25	21
Average:	3.125	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	Program expense reimbursements
Management reporting and key performance measures	System integrity controls over data entry and reporting in Salesforce
Cross functional processes / relationships / communication with other VEDP functions	Trade mission / show collaboration / alignment
Employee training / development	Certificates of Free Sale
Screening process for selecting clients / partners	Monitoring changes in federal grants and legal / regulatory requirements
Advice / consulting on international business	Program / grant management and communication (VALET, GDP, STEP, etc.)
Contract development / review / approval	Education events
Survey data analysis	Foreign travel insurance
Market research services / Global networking	External partner communication

Functional Area – Logistics, Manufacturing, Knowledge Work (LMKW)		
Risk Categories	**Impact**	**Likelihood**
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Lead Generation strategy / plan for targeting companies/ campaigns, (high yield, impact, etc.)
Management reporting and key performance measures	Ecosystem development (defining ecosystem building and existing industry engagement)
Cross functional processes / relationships / communication with other VEDP functions	Client management
Employee training / development	Project management
System integrity controls over data entry and reporting in Salesforce	Pipeline development
Strategy development and execution	Research support (data analytics, identify search criteria for research and potential partners)
Strategy plan	Qualification criteria for new/target companies (market share, growth rate, etc.)
Regulatory and legislative risk that could prohibit from attracting companies	Engagement with external stakeholders (target companies, economic development partners, government officials, etc.)
After-care/customer experience	Communication with external stakeholders
Collaboration with external stakeholders	Employee health and safety practices
Information confidentiality and conflict of interest management	Type and location of customers targeted

Functional Area – Marketing and Communications

Risk Categories	Impact	Likelihood
Compliance	2	2
Financial	2	2
Fraud	2	2
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	19	19
Average:	2.375	2.375

The following are risks identified for this functional area:

Written operational policies	Written operational procedures
Management reporting and key performance measures	Brand awareness
Cross functional processes / relationships / communication with other VEDP functions	Contractual agreements
Employee training / development	ROI (discretionary spend, volume, cost, etc.)
Overall marketing plan and strategy	Social media efforts
Brand standards (graphics, logos, tag lines, etc.)	Trade shows / missions / event management
Media communications (protocols, message crafting, etc.)	Data integrity and recordkeeping

Functional Area – Real Estate Solutions

Risk Categories	Impact	Likelihood
Compliance	3	2
Financial	3	3
Fraud	3	2
Technology	3	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	26	20
Average:	3.25	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Real estate subject matter expertise consulting and property search
Management reporting and key performance measures	Support of business ready sites
Cross functional processes / relationships / communication with other VEDP functions	Management of the Real Estate Development strategic plan
Employee training	Stakeholder reporting and presentations
Review of Brownfields Assistance Fund applications	Managing Regional and Local Real Estate Familiarization Tours
Maintenance of the VA Real Estate database tool	Train local and regional partners on the Real Estate database tool
Grant management and compliance with requirements	Employee development

Functional Area – Regional Talent Solutions and Business Outreach

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	2
Operational	3	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	21
Average:	3	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	VJIP client reimbursement requests (data validation / reconciliation with VA Employment Commission, duplicate payments, sufficiency of documentation, legitimacy of business, etc.)
Management reporting and key performance measures	VJIP grant reimbursement (eligibility, timeliness, accuracy, etc.)
Cross functional processes / relationships / communication with other VEDP functions	Talent marketing presentations
Employee training / development	Client assistance (communication, frequency, etc.)
VJIP client needs and training analysis (talent consulting services)	VJIP related Workforce Development Reports
VJIP client eligibility	VJIP program funding
VJIP project budgeting / approval	Client letters (incentives, commitment, retraining, etc.)
System integrity controls over data entry and reporting in Salesforce	VJIP project management (communication, frequency, documentation, etc.)
Data collection / documentation standards	Confidentiality of client information
Business outreach visit execution (communication, follow-up, etc.)	Economic Gardening program

Functional Area – Research

Risk Categories	Impact	Likelihood
Compliance	2	2
Financial	2	2
Fraud	2	2
Technology	3	3
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	20	20
Average:	2.5	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Economic trend analysis
Management reporting and key performance measures	Lead generation support
Cross functional processes / relationships / communication with other VEDP functions	Maintain value proposition and content creation
Employee training / development	Maintenance of the VA Real Estate database tool
Client communications	Data management
Executive presentation support	GIS
Data analytics (workforce data, tax data, benchmarking, etc.)	System integrity controls over data entry and reporting in Salesforce

Functional Area – Strategic Projects and Lead Generation

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	24	23
Average:	3	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	International contractor management
Management reporting and key performance measures	Collaboration with external stakeholders
Cross functional processes / relationships / communication with other VEDP functions	Confidentiality of company information and conflict of interest management
Employee training	Systematic corporate intelligence program
System integrity controls over data entry and reporting in Salesforce	Administration of business ready laws
Lead Generation strategy / plan for targeting companies/ campaigns, (high yield, impact, etc.)	Available sites and buildings
Project documentation (timely, accurate, complete, etc.)	Cross divisional discussion about strategy, development, and implementation
Strategy planning	Employee development

Functional Area – Virginia Office of Education Economics

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	3
Fraud	3	2
Technology	3	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Research presentations
Annual research plan	Data collection, storage, and integrity
Cross functional processes / relationships / communication with other VEDP functions	Data analysis to determine the alignment of education to the labor market, conducting analyses required by legislation and the General Assembly to inform key stakeholders
Employee training / development	Reporting to external stakeholders such as the legislature, General Assembly, and external partners (accuracy, timeliness, etc.)
Project budgeting / approval	External collaboration (State and Federal Agencies, Educational institutions, etc.)
Project approval	Grant management and reporting (public, grantor, General Assembly, etc.)

Functional Area – Virginia Talent Accelerator Program

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	3	3
Reputation	4	3
Strategic	4	3
Audit	3	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Marketing presentations
Management reporting and key performance measures	Client assistance (communication, frequency, etc.)
Cross functional processes / relationships / communication with other VEDP functions	Program funding
Employee training / development	Client letters (incentives, commitment, retraining, etc.)
Client needs and training analysis (consulting services)	System integrity controls over data entry and reporting in Salesforce
Client eligibility	Project management / documentation
Project budgeting / approval	Press releases
Data collection	Custom workforce program development
Confidentiality of client information	Documentation standards

TOPICS FOR NEXT MEETING

September 18, 2024

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