DOCKET
BOARD OF VISITORS
November 9, 2012

ACTION ITEMS

1. APPROVAL OF THE AUDIT CHARTER
   (approved by the Audit and Compliance Committee on
   November 9, 2012)

   RESOLVED, the attached Audit Charter, updated on November
   9, 2012, is approved as recommended by the Audit and Compliance
   Committee.

2. APPROVAL OF THE SUMMARY OF AUDIT FINDINGS FOR THE
   PERIOD AUGUST 15, 2012 THROUGH SEPTEMBER 30, 2012
   AND REPORT ON PRIVACY REVIEWS
   (approved by the Audit and Compliance Committee on
   November 9, 2012)

   RESOLVED, the Summary of Audit Findings for the period
   August 15, 2012 through September 30, 2012, as presented
   by the Chief Audit Executive, and the Privacy Report, as
   presented by the Chief Corporate Compliance Officer, are
   approved as recommended by the Audit and Compliance Committee.

3. NAMING OF SQUASH FACILITY AT BOAR’S HEAD SPORTS
   CLUB
   (approved by the Buildings and Grounds Committee on
   November 7, 2012)

   WHEREAS, construction began in May 2012 on a 33,000 square-
   foot state-of-the-art squash facility to be located at and
   operated by The Boar’s Head Sports Club and owned by the
   University; and

   WHEREAS, as the home base for the University’s collegiate
   squash teams, the facility will provide practice space for men’s
   and women’s squash programs as well as provide courts for
   University faculty, staff, students, Boar’s Head Sports Club
   members, and resort guests to play; and
WHEREAS, the facility was funded by Charlottesville-based Quantitative Foundation, which was founded by its Chair and CEO Jaffray Woodriff, a 1991 graduate of the McIntire School of Commerce; and

WHEREAS, Mr. Woodriff would like to honor his maternal grandfather Douglas Glover McArthur (1918-2012), an active leader in his Bucks County, Pennsylvania community and sports enthusiast throughout his life and a formative and nurturing influence on Mr. Woodriff and other members of his family, several of whom are also alumni of the University;

RESOLVED, the Board of Visitors names the new squash facility at Boar’s Head Sports Club the McArthur Squash Center and thanks Mr. Woodriff for his generosity and support.

4. NAMING OF THE PERIMETER LOOP AT LANNIGAN FIELD
(approved by the Buildings and Grounds Committee on November 7, 2012)

WHEREAS, the perimeter loop at Lannigan Field is a separate running path around the outside of the competition track at the new track and field facility and will be used by a variety of groups, including the public, for running, bounding, and training drills; and

WHEREAS, Mr. Fred H. Stubblefield, Jr. is a 1964 graduate of the Engineering School and longtime loyal supporter of track and field programs at the University; and

WHEREAS, the Virginia Athletics Foundation wishes to publicly honor Mr. Stubblefield and his wife Nancy for their ongoing generous support to Athletics at the University;

RESOLVED, the Board of Visitors names the perimeter loop at Lannigan Field Stubblefield Perimeter Loop and thanks Mr. and Mrs. Stubblefield for their generosity and support.
5. APPROVAL TO ESTABLISH THE JOHN C. BUCHANAN PROFESSORSHIP IN BIOLOGY AT THE UNIVERSITY OF VIRGINIA’S COLLEGE AT WISE (approved by the Joint Educational Policy and Student Affairs Committees on November 9, 2012)

WHEREAS, John Chalkley Buchanan of Darwin took a Bachelor of Arts degree in 1933 and a degree in Medicine in 1951 from the University of Virginia; and

WHEREAS, during his time as a student at the University, Dr. Buchanan participated in the University Singers, and was a member of Phi Beta Kappa and the Alpha Omega Alpha Honorary Medical Society, and a resident of the Lawn; and

WHEREAS, Dr. Buchanan served in the Navy for three years and worked for the U.S. Civil Service Commission prior to returning to the University for medical school; and

WHEREAS, Dr. Buchanan joined the staff of Wise Memorial Hospital in 1956 and operated a general medical practice in Wise until 1991; and

WHEREAS, Dr. Buchanan represented southwest Virginia in the State Senate from 1972 until his death in 1991; and

WHEREAS, Dr. Buchanan and his wife, Carol Phipps Buchanan, were donors to the University of Virginia’s College at Wise for over 20 years; and

WHEREAS, Carol Buchanan passed away on May 14, 2011; and

WHEREAS, through her estate, Carol Buchanan provided the funds to create a professorship to honor her late husband, to promote education in the region, and to benefit the College at Wise;

RESOLVED, the Board of Visitors establishes the John C. Buchanan Professorship in Biology at the University of Virginia’s College at Wise, to attract and retain exceptional faculty in the Department of Natural Sciences.
6. REVISIONS TO THE MANUAL OF THE BOARD OF VISITORS OF
THE UNIVERSITY OF VIRGINIA
(approved by the Executive Committee on November 8, 2012)

RESOLVED, the Board of Visitors authorizes the following
revisions to the Manual of the Board of Visitors of the
University of Virginia, 2004 edition as amended through February
23, 2012 (the Manual), to conform the provisions of the Manual
to the Code of Virginia, and to improve the governance structure
of the Board:

SECTION 2.2 COMPOSITION-- The Board of Visitors is composed of
sixteen seventeen members appointed by the Governor, subject to
confirmation by the Senate and the House of Delegates of
Virginia, for terms of four years. Members may be reappointed
for one additional four-year term. At least thirteen twelve of
the sixteen seventeen members must be from the State
Commonwealth at large, and not more than three may be appointed
from alumni or alumnae living outside the State. At least eleven
of the sixteen members must be alumni or alumnae of the
University, at least twelve shall be alumni or alumnae of the
University of Virginia, and at least one shall be a physician
with administrative and clinical experience in an academic
medical center.

The statute provides that for every vacancy on the Board of
Visitors, the Alumni Association of the University of Virginia
shall propose three names to the Governor for possible
appointment. Such proposals, however, are advisory only, and the
Governor may appoint persons other than those recommended by the
Alumni Association. A vacancy on the Board is filled by the
Governor for the unexpired term, subject, of course, to
confirmation by the Senate and the House of Delegates. A person
filling an unexpired term may be reappointed by the Governor for
two additional four-year terms.

SECTION 2.35 QUORUM -- A quorum for the conduct of business by
the full Board of Visitors shall consist of five members of the
Board (as required by statute) except in those instances where
other statutory provisions, as for example, in the consideration
of revenue bond issues, may require a larger number for the
transaction of particular items of business. A quorum for the
Executive Committee and all standing and special committees of
the Board of Visitors shall consist of one-third of the
appointed members of the committee, except that in no case shall
SECTION 2.38 CONDUCT OF BUSINESS—All meetings shall be conducted in accordance with the principles of procedure prescribed in Roberts' Rules of Order shall provide guidance for the conduct of meetings.

SECTION 3.1 THE EXECUTIVE COMMITTEE--At each Annual Meeting the Board shall elect from among its membership an Executive Committee composed of six members. These six members shall consist of the Rector, who shall serve as chair, the Vice Rector, and four Visitors to be elected by the Board. Nominations for these four positions on the Executive Committee may be made by any Visitor, and if there are more than four nominations, a vote shall be taken, and the results shall be announced jointly by the Rector and the Secretary. Any vacancy on the Executive Committee shall be filled for the unexpired term at the next regular meeting of the Board and by vote if there is more than one nomination.

The Executive Committee shall meet upon the call of the Rector. It shall consider all matters referred to it by the Rector, the Vice Rector, or the President and shall, in the interim between meetings of the Board, be vested with the powers and authority of the full Board and shall take such action on all matters that may be referred to it as in its judgment is required. All such actions taken by the Executive Committee in the interim between meetings of the Board shall require a two-thirds vote of the whole number of committee members, and their actions shall be reported to the Board at the next regular meeting and shall, if confirmation is required, be confirmed and approved by the Board at that time.

SECTION 3.2 STANDING COMMITTEES--The standing committees of the Board of Visitors shall consist of the Finance Committee, Buildings and Grounds Committee, Student Affairs and Athletics Committee, Educational Policy Committee, External Affairs Advancement and Communications Committee, Audit and Compliance Committee, Committee on The University of Virginia's College at Wise, and the Medical Center Operating Board. The number to be appointed to each standing committee shall be determined by the Rector at the time of appointment. However, no committee shall consist of fewer than three members.

The standing committees shall be appointed by the Rector at the Annual Meeting of each year, and at the time of appointment...
the Rector shall designate the chair of each committee. A
vacancy on any committee shall be filled by the Rector for the
unexpired term, and the Rector shall have the power to change
the membership of any standing committee at any time. Each
standing committee shall meet at the call of the chair, the
Rector, the Vice Rector, or the President and shall consider
such matters as may be referred to it by these officers or by
members of the committee.

The Secretary shall prepare a docket for each committee
meeting and shall attend the meeting.

In addition to the duties of the standing committees as
listed below, each committee shall consider such other matters
as may be referred to it by the Board, the Rector, the Vice
Rector, the President, or the chair and shall make its report
and recommendations as required to the Board, to the President,
and, upon the request of the Rector, to the Executive Committee.
No standing committee has power or authority to commit the Board
to any policy or action unless specifically granted such power or
authority by the Board. In such cases, a report of final action
by any committee shall be made at the next regular meeting of
the Board and, if confirmation is required, shall be confirmed and
approved by the Board at that time.

On motion of any member, any grant to a committee of power
or authority to commit the Board shall be reviewed by the Board,
at which time it may be modified or rescinded by majority vote of
the members present without complying with the requirements for
amending this Manual.

SECTION 3.26 EXTERNAL AFFAIRS ADVANCEMENT AND COMMUNICATIONS
COMMITTEE—The External Affairs Advancement and Communications
Committee shall have responsibility in all matters pertaining to
University development, alumni affairs, and public
communications. This responsibility shall include the oversight
of University capital campaigns and all other programs that
promote private donations to and alumni support of the
University. As part of this responsibility, the committee’s
oversight will include the University-related foundations and
their activities to raise funds on behalf of the University.

SECTION 3.28 THE MEDICAL CENTER OPERATING BOARD--The Medical
Center Operating Board shall be the governing board of the
Medical Center and the Transitional Care Hospital for Joint
Commission on Accreditation of Hospital Organization purposes,
responsible to oversee and direct the operations of the Medical
Center and the Transitional Care Hospital as delegated by the Board of Visitors.

The Rector shall serve as a voting member, and he shall appoint four other members of the Board of Visitors, including the chair, to serve as voting members of the Medical Center Operating Board; one of these members shall be the chair of the Finance Committee and one of these members shall be a physician with administrative and clinical experience in an academic medical center. The Board of Visitors may appoint no more than six public non-voting members of the Medical Center Operating Board, to serve for initial terms not to exceed four years. The President of the University, the Executive Vice President and Provost of the University, the Executive Vice President and the Chief Operating Officer of the University, the Vice President and Chief Executive Officer of the Medical Center, the Vice President and Dean of the School of Medicine, the Dean of the School of Nursing, and the President of the Clinical Staff of the Medical Center shall serve as non-voting advisory members. In addition to the six non-voting public members, the Board of Visitors may appoint up to four additional public members on a temporary basis, for terms to begin no later than July 15, 2011, and end on December 31, 2012.

SECTION 4.21 ELECTION--The President shall be elected by the Board of Visitors and may be removed Appointment, removal, or amendment of the contract or terms of employment of the President may be accomplished only by assent of two-thirds a majority (or, by statute, two-thirds in the case of removal) of the whole number of Visitors at a regular meeting, or special meeting called for this purpose. The President shall attend all meetings of the Board and shall have notice of and the privilege of attending all meetings of its committees.


§ 23-70. APPOINTMENT OF VISITORS GENERALLY; NUMBER AND TERMS OF OFFICE

(a) A. The board of visitors is to consist of sixteen 17 visitors appointed by the Governor, of whom (i) at least thirteen 12 shall be appointed from the Commonwealth at large and not more than three shall be appointed from the nonresident
alumni of the University of Virginia, (ii) at least 12 shall be alumni of the University of Virginia, and (iii) at least one shall be a physician with administrative and clinical experience in an academic medical center.

(b) All appointments on or after July 1, 2008, shall be for terms of four years and commence July 1 of the first year of appointment, except that appointments to fill vacancies shall be made for the unexpired terms. Members shall complete their service on June 30 of the year in which their respective terms expire, including appointments made prior to July 1, 2008. All appointments for full terms, as well as to fill vacancies, shall be made by the Governor subject to confirmation by the Senate and the House of Delegates.

§ 23-71. APPOINTMENT OF VISITORS FROM NOMINEES OF ALUMNI ASSOCIATION

(a) The Governor may appoint visitors from a list of qualified persons submitted to him, before or after induction into office, by the alumni association of the University of Virginia, on or before the first day of December April of any year next preceding a year in which the terms of any visitors will expire.

(b) Whenever a vacancy occurs otherwise than by expiration of term, the Governor shall certify this fact to the association and nominations may be submitted of qualified persons and the Governor may fill the vacancy, if his discretion so dictates, from among the eligible nominees of the association, whether or not alumni or alumnae.

(c) Every list shall contain at least three names for each vacancy to be filled.

(d) The Governor is not to be limited in his appointments to the persons so nominated.

(e) At no time shall less than eleven 12 of the visitors be alumni or alumnae of the University.
7. **VICE CHAIRS OF BOARD OF VISITORS STANDING COMMITTEES**  
(approved by the Executive Committee on November 8, 2012)

WHEREAS, it is the desire of the Board of Visitors to actively engage its members in the governance work of the Board; and

WHEREAS, on occasion the chair of a committee is unable to preside at a meeting of the committee and there is no clear designation of a second to assume the chair’s duties;

RESOLVED, the chairs of all standing committees of the Board, in consultation with the Rector of the Board, may appoint a vice chair to assist in fulfillment of the oversight responsibilities of the committee and to assume the duties of the chair in the event the chair is unable to perform those duties on a temporary basis.

8. **INVITING FACULTY PARTICIPATION IN BOARD COMMITTEES**  
(approved by the Executive Committee on November 8, 2012)

WHEREAS, in July, 2007, the Board of Visitors passed a resolution inviting the past chair of the Faculty Senate to serve as a consulting member to two standing committees, Educational Policy and External Affairs, and a special committee, the Diversity committee, to promote closer ties with the faculty and more faculty involvement in the deliberations of the Board, with the aim of the faculty and the Board working together to advance the goals of the University; and

WHEREAS, the Medical Center Operating Board, a committee of the Board of Visitors, includes ex-officio members who are faculty members and serve in a consulting but otherwise fully participating capacity; and

WHEREAS, the Board of Visitors would like to expand the involvement of faculty by adding faculty consulting members to the other standing committees of the Board;

RESOLVED, the Board of Visitors authorizes the Rector, in consultation with the President, to appoint one nonvoting faculty consulting member to each standing committee of the Board that does not have faculty representation currently, to serve for a one year term; and
RESOLVED FURTHER, this arrangement shall become effective on January 1, 2013, with the first faculty representatives serving through June 30, 2014 and future appointments commencing on July 1 of each year.

9. APPROVAL OF QUARTERLY REVIEW COMMITTEE FOR EVALUATION OF THE PRESIDENT
   (approved by the Executive Committee on November 8, 2012)

   WHEREAS, in November 2011 the Board of Visitors adopted guidelines for evaluating the President; and

   WHEREAS, the Board desires to create an additional process to provide the opportunity for the chairpersons of certain standing committees to engage with the President on a quarterly basis to review progress with regard to the Board’s expectations; and

   WHEREAS, the Board believes it is important for the annual evaluation of the President to include benchmarks related to the University’s annually updated strategic plan;

   RESOLVED, the vice rector, along with the chairs of the Educational Policy, Finance, and Advancement and Communications committees, shall meet with the president on a quarterly basis on or around the last Friday of the quarter, to review progress on goals and established benchmarks, and to advise the president on current priorities of the Board. The vice rector and the chairs of the Educational Policy, Finance, and Advancement and Communications committees shall provide input to the presidential assessment committee as they develop the annual evaluation of the president’s performance;

   RESOLVED FURTHER, as a University strategic plan is developed, concise benchmarks shall be established to measure progress on elements of the strategic plan. The annual evaluation of the president shall include, but not be limited to, an assessment of progress made toward meeting the strategic plan benchmarks.
10. APPROVAL TO PURCHASE 1015 SPRING CREEK PARKWAY, LOUISA, VIRGINIA
(approved by the Finance Committee on November 8, 2012 and by the Medical Center Operating Board on November 8, 2012)

WHEREAS, the Medical Center Operating Board and the Finance Committee find it to be in the best interest of the University of Virginia to purchase from the University of Virginia Physicians Group land and improvements thereon located at 1015 Spring Creek Parkway, Louisa, Virginia (the "Property") at a purchase price not to exceed $18,000,000;

RESOLVED, the Board of Visitors approves the acquisition of the Property; and

RESOLVED FURTHER, the President of the University, or her designee, is authorized, on behalf of the University, to approve and execute purchase agreements and related documents, to incur reasonable and customary expenses, and to take such other actions as deemed necessary and appropriate to consummate such property acquisition; and

RESOLVED FURTHER, all prior acts performed by the President of the University, or her designee, and other officers and agents of the University, in connection with such property acquisition, are in all respects approved, ratified, and confirmed.

11. AUTHORIZATION OF AND INTENT TO ISSUE TAX-EXEMPT DEBT
(approved by the Finance Committee on November 8, 2012)

WHEREAS, the University intends to undertake certain capital projects identified below (the "Project"), and to finance the Project through the issuance of tax-exempt debt, in the maximum principal amount stated below for the Project:

MEDICAL CENTER

Spring Creek Acquisition - $17.3 million; and

WHEREAS, the University further intends to expend funds on the Project and to reimburse such expenditures from the proceeds of the tax-exempt debt; and
WHEREAS, to comply with the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations (the "Regulations"), it is necessary, in order to reimburse such expenditures incurred prior to the issuance of the tax-exempt debt with the proceeds of such debt, that the University declare its official intent to make such a reimbursement of expenditures; and

WHEREAS, prior to the issuance of long-term debt, the Board of Visitors will be asked to consider a separate issuance resolution;

RESOLVED, short-term debt may be issued for the Project, but only if the following conditions are met:

1. A comprehensive and detailed financial plan for the Project is submitted to and approved by the Capital Outlay Executive Review Committee; and

2. A school or unit shall remain responsible for repaying any debt obligation incurred regardless of the status of such school's or unit's Project; and

RESOLVED FURTHER, the Board of Visitors of the University of Virginia declares its intent to expend funds on the Project and to reimburse such expenditures from the proceeds of tax-exempt debt, in accordance with the following:

1. This resolution is a declaration of official intent for purposes of Section 1.150-2 of the Regulations; and

2. The University reasonably expects to issue tax-exempt debt for the Project in the maximum principal amount stated in the recitals above.

12. AMENDMENTS TO THE DEFINED CONTRIBUTION PLANS
(approved by the Finance Committee on November 8, 2012)

RESOLVED, The Defined Contribution Retirement Plan for Executive Employees of the University of Virginia is amended to eliminate the required minimum annual employer contribution to a participant's account; and

RESOLVED FURTHER, the Qualified Governmental Excess Benefit Arrangement for Employees of the University of Virginia is amended to allow a participant to elect the form of distribution
of his or her Excess Benefit Account at the time of separation from service.

13. APPROVAL OF THE APPOINTMENT OF EDWARD D. MILLER M.D. TO THE UNIVERSITY OF VIRGINIA INVESTMENT MANAGEMENT COMPANY BOARD OF DIRECTORS
(recommended for approval by the Rector)

RESOLVED, Edward D. Miller, M.D., of Baltimore, Maryland, is appointed to the Board of Directors of the University of Virginia Investment Management Company for a term of four years, effective July 1, 2012 through June 30, 2016.

14. APPROVAL OF THE APPOINTMENT OF TIMOTHY B. ROBERTSON TO THE UNIVERSITY OF VIRGINIA INVESTMENT MANAGEMENT COMPANY BOARD OF DIRECTORS
(recommended for approval by the Rector)

RESOLVED, Timothy B. Robertson of Virginia Beach, Virginia, is appointed to the Board of Directors of the University of Virginia Investment Management Company for a term of three years, effective July 1, 2012 through June 30, 2015.
ATTACHMENT
AUDIT CHARTER

It is the policy of the University to establish and support the Audit Department for the purpose of assisting management in the effective discharge of its responsibilities for the control of University resources.

The mission and objectives of the Audit Department are to add value to the organization and improve institutional operations through a variety of methods including:

Evaluating and advising on improving the effectiveness of institutional processes and programs for governance, control and enterprise risk management.

Performing financial audits for the purpose of ensuring that:

(a) Cash, accounts receivable, and other assets of the University are promptly and completely recorded, accounted for, authorized and adequately safeguarded against losses and misappropriation.

(b) Liabilities of the University have been properly incurred and are properly recorded and discharged. Audits directed to financial accountability will include a review of records, source data, fiscal procedures and internal controls.

Performing operational audits for the purpose of ensuring that University operations are conducted efficiently, effectively, and in accordance with appropriate and adequately documented policies, plans, and procedures. Operational audits will encompass a review of the policies, plans, procedures, organizational structure, staffing, and output of the audited unit. These audits also will include evaluating the accomplishment of established objectives and goals for operations and programs.
Providing the Board of Visitors and senior management with an independent, fair and objective appraisal of the effectiveness of the University's financial accountability systems and operational performance in accordance with the priorities established by the Chief Audit Executive in coordination with the Board of Visitors, the President and the Executive Vice Presidents and approved by the President and the Board of Visitors.

Providing management with constructive criticism and positive recommendations designed to strengthen and improve performance results and cost effectiveness of their operations.

Informing the Board of Visitors and Senior University management of any financial irregularities, investigations, or other risks to the institution that the auditors discover during the course of their work.

The work of the Audit Department will be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. Other professional standards, such as the Government Accounting Office "Yellow Book," shall be utilized when appropriate.

The following policies identify the responsibilities of the Audit Department and provide guidelines for its interaction with all University departments and activities.

Organizational Responsibilities

The Chief Audit Executive shall be responsible to the Board of Visitors but shall maintain a dual reporting relationship to both the Board and the President. The Chief Audit Executive will seek input on the department's activities from the Board of Visitors, the President, and the Executive Vice Presidents. The Chief Audit Executive will have unrestricted access to the President and the Board of Visitors. The Chief Audit Executive is responsible for the direction of the audit function and for seeing that the results of examinations
and actions taken are communicated to appropriate levels of University management and, as appropriate, the President and the Board of Visitors.

The Chief Audit Executive will draft an annual audit plan and will solicit input on this plan from the Board of Visitors, the President, the Executive Vice Presidents and other senior management of the institution. The plan will be submitted to the Board of Visitors for approval.

Nothing herein shall be construed as preventing the Chief Audit Executive from consulting with the President and the Executive Vice Presidents on activities of the department, its findings, or significant issues. Nor shall the President and the Executive Vice Presidents be prevented from consulting with the Chief Audit Executive as may be necessary to the execution of their duties.

The Audit Department will give full consideration to scheduling special audit requests made by any department or activity. All requests should be in writing to the Chief Audit Executive and state the purpose and scope of the audit.

Independence

The Audit Department will be organizationally and functionally independent from all University operations and will have no responsibility for the departments and activities being audited while being responsive to their needs and requirements. Because the Audit Department must be independent in carrying out its responsibility to monitor and evaluate control procedures instituted by management, the extent of audit work to be performed with respect to those procedures is limited to the assessment of such procedures.

The Audit Department normally performs tests of underlying records and documentary support for transactions. Accordingly, objectivity would be lost if the Audit Department routinely participated in accumulating data or reconstructing records.
Authorities and Limitations

The Audit Department personnel will have complete, free and unrestricted access to all University departments, activities, records, properties and personnel, and is not to be restricted in their activities. Where appropriate, special arrangements will be made for the examination of confidential information.

Systems Planning and Development

The Audit Department will participate in the planning, development, implementation, and modification of major computer-based and manual systems to ensure that:

(a) adequate controls are incorporated in the system;
(b) thorough system testing is performed at appropriate stages;
(c) system documentation is complete and accurate; and
(d) the resultant system is a complete and accurate implementation of the system specifications.

The Audit Department will conduct post-installation evaluations of major information technology systems to ensure that these systems meet their intended purpose and objectives. The department also will review computer operations supporting such systems to ensure that generally accepted standards for systems integrity and security, as well as system-specific controls, are being observed.

Security Investigations

The Audit, Risk Management and University Police Departments are to be notified if assets have been lost through defalcation or other security breaches. The Audit Department will perform sufficient tests and investigations to identify the weaknesses in procedures, which permitted the defalcation to occur. However, the investigation of the specific event with the objective of recovery and/or prosecution is the responsibility of
the University Police Department, with the decision to prosecute being the responsibility of the appropriate Commonwealth's Attorney.

Coordination with External Auditing Agencies

The Chief Audit Executive will coordinate the department's audit efforts with those of the University's independent public accountants or other external auditing agencies by participating in the planning and definition of the scope of proposed audits so the work of all auditing groups is complementary and their combined efforts provide comprehensive, cost-effective audit coverage for the University. Duplication of work will be avoided as much as possible.

Reporting

Prior to the completion of a formal report, an exit conference will be conducted with the department or activity head. The conference will be a review of all findings, conclusions, and recommendations. A formal report will be issued at the conclusion of every audit, which will present a concise, clear and factual review of the conditions found, together with recommendations for improvement. A formal written response shall be issued to the Chief Audit Executive, or the Audit Director issuing the report, within 30 days addressing each finding, recommendation, and exception included in the audit report. This response will include the department's or activity's plan for implementing the recommendations or a presentation of significant disagreement with the findings and/or recommendations.

A follow-up review of significant audit recommendations will be made by the Audit Department to establish that agreed-to recommendations have been adopted. A memorandum will be issued on the follow-up review to the President, the Executive Vice President and Chief Operating Officer, and the Executive Vice President and Provost as appropriate.

Distribution of Reports

Audit reports will be issued to the Executive Vice President or Vice President, most directly responsible
for the department or activity involved. In addition, copies of all such reports will be distributed to the President, the Executive Vice President and Chief Operating Officer, and the senior fiscal administrator having a functional interest in the subject matter.

All audit reports will be available for review by the Board of Visitors.

A summary of significant audit findings will be prepared for each Board meeting and submitted to the Board of Visitors, the President, and the Executive Vice President and Chief Operating Officer, and the Executive Vice President and Provost as appropriate.

November 2012