DOCKET

BOARD OF VISITORS

University of Virginia

Regular Meeting

November 14, 2014
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BOARD OF VISITORS
November 14, 2014

ACTION ITEMS

1. ACQUISITION OF 500 RAY C. HUNT DRIVE PROPERTY
   (approved by the Medical Center Operating Board on November 13, 2014 and by the Finance Committee on November 13, 2014)

   WHEREAS, the Board of Visitors finds it to be in the best interest of the University of Virginia for the Medical Center to acquire the real property located at 500 Ray C. Hunt Drive from the University of Virginia Physicians Group, at a fair market value purchase price not to exceed $14.0 million;

   RESOLVED, the Board of Visitors approves the acquisition of the 500 Ray C. Hunt Drive property at a fair market value purchase price not to exceed $14.0 million; and

   RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer 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 Executive Vice President and Chief Operating Officer, and other officers and agents of the University, in connection with such property acquisition, are in all respects approved, ratified and confirmed.

2. REVISION TO THE MAJOR CAPITAL PROJECTS PROGRAM, 500 RAY C. HUNT DRIVE RENOVATION
   (approved by the Medical Center Operating Board on November 13, 2014, by the Finance Committee on November 13, 2014, and by the Buildings and Grounds Committee on November 13, 2014)

   WHEREAS, the University proposes the addition of the 500 Ray C. Hunt Drive Renovation to the Major Capital Projects Program;
RESOLVED, the Board of Visitors approves the addition of the 500 Ray C. Hunt Drive Renovation, estimated between $17.15 million and $21.0 million, to the University’s Major Capital Projects Program.

3. **RENAME THE FREDERIC A. BERRY, M.D. PROFESSORSHIP IN PEDIATRIC ANESTHESIOLOGY TO THE FREDERIC A. BERRY, M.D. PROFESSORSHIP IN ANESTHESIOLOGY**

   (approved by the Educational Policy Committee on November 13, 2014)

   WHEREAS, on November 15, 2005, Frederic A. Berry, M.D. and Suzanne S. Berry executed with the University of Virginia Medical School Foundation an agreement setting forth the terms and conditions for an endowed fund at the Foundation that would be used to establish the Frederic A. Berry, M.D. Professorship in Pediatric Anesthesiology; and

   WHEREAS, on June 10, 2010, the Board of Visitors established the Frederic A. Berry, M.D. Professorship in Pediatric Anesthesiology in the School of Medicine; and

   WHEREAS, in 2014, the Department of Anesthesiology and Dr. Berry agreed that more flexibility is required in order to locate a chairholder for the Frederic A. Berry, M.D. Professorship, and therefore that the name and purpose should be changed to the Frederic A. Berry, M.D. Professorship in Anesthesiology; and

   WHEREAS, the University of Virginia, the School of Medicine, the Department of Anesthesiology, and Dr. Frederic Berry and Suzanne Berry agreed to this change in a restated agreement on September 24, 2014;

   RESOLVED, the Board of Visitors renames the Frederic A. Berry, M.D. Professorship in Pediatric Anesthesiology the Frederic A. Berry, M.D. Professorship in Anesthesiology.

4. **RENAME THE DISTINGUISHED PROFESSORSHIP FOR THE DIRECTOR OF THE CENTER FOR PUBLIC SERVICE TO THE ELEANOR GRAY SHEA PROFESSORSHIP**

   (approved by the Educational Policy Committee on November 13, 2014)

   WHEREAS, A. Vincent Shea served the University as an administrator and faculty member for 46 years; and
WHEREAS, Mr. Shea and his wife, Eleanor Gray Shea, were longtime anonymous benefactors of the University; and

WHEREAS, Mr. Shea had requested in an agreement executed with the University on September 30, 1989 that the funds he and Mrs. Shea had contributed to the Pooled Income Fund be transferred to the University for the purpose of establishing a "Distinguished Professorship" in order to maintain his anonymity, with preference that the chairholder be the Director of the Center for Public Service; and

WHEREAS, Mr. Shea had also requested that upon his death, the professorship be publicly known as the "Eleanor Gray Shea Professorship"; and

WHEREAS, on May 25, 1990, the Board of Visitors established the Distinguished Professorship for the Director of the Center for Public Service from funds contributed by Mr. and Mrs. Shea; and

WHEREAS, Mr. Shea died in May 2002, allowing for the professorship to be publicly known as the Eleanor Gray Shea Professorship;

RESOLVED, the Board of Visitors renames the Distinguished Professorship for the Director of the Center for Public Service the Eleanor Gray Shea Professorship.

5. ESTABLISHMENT OF THE HARRISON ROBERTSON PROFESSORSHIP IN LAW
(approved by the Educational Policy Committee on November 13, 2014)

WHEREAS, Harrison Marshall Robertson Jr. took a B.A. from the University of Virginia in 1942, and a L.L.B from the University of Virginia School of Law in 1948; and

WHEREAS, Mr. Robertson enlisted as a private in the Army in 1942, and served in the 772 Tank Battalion in Europe. He was discharged in 1946 with the rank of captain. He received the Bronze Star for valor and an Army Commendation Ribbon; and

WHEREAS, Mr. Robertson had a long and successful career in law in Baltimore, Maryland, serving as a partner in the firm of Brune, Robertson and Iglehart, as a litigator and specialist in public utility law, as an Assistant Attorney General for the
State of Maryland in 1962 and 1963, and as People's Counsel before the Public Service Commission and the Metropolitan Transit Authority between 1963 and 1967; and

WHEREAS, Mr. Robertson was involved in numerous civic activities and organizations in both Baltimore, Maryland and Palm Beach, Florida; and

WHEREAS, Mr. Robertson was a member of the University of Virginia Board of Managers between 1961 and 1965, and President of the University of Virginia Alumni Association; and

WHEREAS, Mr. Robertson provided the funding to create the Harrison Robertson Professorship in Law, in memory of his great-grandfather, his father, and himself, with the purpose of enabling the University to attract and retain scholars of special eminence in law;

RESOLVED, the Board of Visitors establishes the Harrison Robertson Professorship in Law; and

RESOLVED FURTHER, the Board is thankful for the generosity to the University and the School of Law of Harrison Marshall Robertson Jr.

6. **ESTABLISHMENT OF THE PAUL T. JONES JEFFERSON SCHOLARS FOUNDATION PROFESSORSHIP**
   (approved by the Educational Policy Committee on November 13, 2014)

WHEREAS, Paul Tudor Jones II took a degree in economics from the University of Virginia in 1976; and

WHEREAS, Mr. Jones founded Tudor Investment Corporation in 1980, an asset management firm headquartered in Greenwich, Connecticut, and created The Tudor Group, which includes a number of affiliates; and

WHEREAS, Mr. Jones’ generosity to the University of Virginia includes significant funding for the John Paul Jones Arena, which is named after his father, and, with his wife, Sonia Klein Jones, the Contemplative Sciences Center; and

WHEREAS, Paul Tudor Jones has been a benefactor, board member, and committed volunteer of the Jefferson Scholars Foundation since the mid-1980s. He has funded undergraduate Jefferson scholarships, graduate fellowships, and, recognizing
that the Professorship Program can be transformative for the University, he was the first person to commit to funding a Jefferson Scholars Foundation chaired professorship; and

WHEREAS, the Professorship Program at the Jefferson Scholars Foundation was created to bring outstanding professors to the University faculty. The Foundation desires that these professors be widely recognized scholars; that they be active participants in the Jefferson Scholars Foundation community; and that they, by their presence on the faculty, increase the University's prestige and attract other outstanding professors;

RESOLVED, the Board of Visitors establishes the Paul T. Jones Jefferson Scholars Foundation Professorship; and

RESOLVED FURTHER, the Board thanks Paul Tudor Jones for his generosity to the University and to the Jefferson Scholars Foundation.

7. **AUDIT CHARTER**
   (approved by the Audit and Compliance Committee on November 14, 2014)

   RESOLVED, the attached Audit Charter, updated on November 14, 2014, is approved as recommended by the Audit and Compliance Committee.

8. **AUDITOR OF PUBLIC ACCOUNTS' FINDINGS AND THE SUMMARY OF INTERNAL AUDIT FINDINGS**
   (approved by the Audit and Compliance Committee on November 14, 2014)

   RESOLVED, the Auditor of Public Accounts' Findings for fiscal year 2013-2014, and the Summary of Audit Findings for the period August 16, 2014 through October 15, 2014, as presented by the Chief Audit Executive, are approved as recommended by the Audit and Compliance Committee.

9. **APPOINTMENT TO THE BOARD OF THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**
   (approved by the Committee on The University of Virginia's College at Wise on November 14, 2014)

   RESOLVED, Mr. Marvin W. Gilliam Jr. is appointed to The University of Virginia's College at Wise Board for a term ending June 30, 2019.
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 will also 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, the Executive Vice President and Provost, and the Executive Vice President for Health Affairs 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, the Executive Vice President and Chief Operating Officer, the Executive Vice President and Provost, and the Executive Vice President for Health Affairs as appropriate.

November 2014