

**REVISED
June 9, 2017**

DOCKET

BOARD OF VISITORS

University of Virginia

Regular Meeting

June 9, 2017

**DOCKET
BOARD OF VISITORS
June 9, 2017**

CONSENT ITEMS

1. MASTER OF SCIENCE (M.S.) IN ATHLETIC TRAINING IN THE CURRY SCHOOL OF EDUCATION

(approved by the Academic and Student Life Committee on June 8, 2017)

RESOLVED, subject to approval by the State Council of Higher Education for Virginia, the Master of Science in Athletic Training is established in the Curry School of Education.

2. DEMOLITION OF THE STORAGE BUILDINGS AT OLD IVY ROAD OFFICE BUILDING SITE

(approved by the Buildings and Grounds Committee on June 9, 2017)

WHEREAS, construction of the Old Ivy Road Office Building will require the demolition of three storage sheds (# 0597, 0600, and 0601); and

WHEREAS, pursuant to the Management Agreement, dated November 15, 2005, by and between the Commonwealth of Virginia and The Rector and Visitors of the University of Virginia, subject to review by the Art and Architectural Review Board and the Department of Historic Resources and compliance with such general laws as may be applicable, the Board of Visitors is authorized to approve the demolition of buildings; and

WHEREAS, the demolition of the sheds has been approved by the Art and Architectural Review Board and the Department of Historic Resources;

RESOLVED, the demolition of three sheds at the Old Ivy Road Office Building site is approved by the Board of Visitors; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute such documents and to take such other actions as deemed necessary and appropriate in connection with the demolition of the sheds; 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 the demolition of the sheds, are in all respects approved, ratified, and confirmed.

ACTION ITEMS

3. NAME CHANGE OF MEDICAL CENTER OPERATING BOARD TO UVA HEALTH SYSTEM BOARD

(approved by the Medical Center Operating Board on June 8, 2017)

RESOLVED, the Board of Visitors approves changing the name of the Medical Center Operating Board to the UVA Health System Board and reconfirms that the Health System Board has responsibility for oversight of the operations of the Medical Center and the Transitional Care Hospital for Joint Commission on Accreditation of Hospital Organization purposes, as well as oversight of the School of Medicine and the faculty physicians.

4. AUDIT DEPARTMENT FY 2018-FY 2019 AUDIT PLAN

(approved by the Audit, Compliance, and Risk Committee on June 8, 2017 – Audit Plan is included as Attachment A)

RESOLVED, the Audit Department FY 2018-FY 2019 Audit Plan is approved as recommended by the Audit, Compliance, and Risk Committee.

5. AUDIT DEPARTMENT CHARTER

(approved by the Audit, Compliance, and Risk Committee on June 8, 2017 – Charter is included as Attachment B)

RESOLVED, the University of Virginia Audit Department's charter, reflecting changes to conform to The IIA's recently updated professional standards, is approved as recommended by the Audit, Compliance, and Risk Committee.

6. APPOINTMENTS AND REAPPOINTMENTS 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 June 8, 2017)

RESOLVED, Mr. Paul D. Buchanan, Mr. James N. L. Humphreys, Mr. Lewey K. Lee, and Mr. Robert F. Stallard are reappointed to The University of Virginia's College at Wise Board for four-year terms ending June 30, 2021, in accordance with the Board's bylaws; and

RESOLVED FURTHER, Mr. Leton L. Harding Jr. and Mr. Jeffery A. Sturgill are appointed to The University of Virginia's College at Wise Board for four-year terms ending June 30, 2021, in accordance with the Board's bylaws.

7. ESTABLISHMENT OF THE CARL LYNCH III PROFESSORSHIP IN ANESTHESIOLOGY

(approved by the Academic and Student Life Committee on June 8, 2017)

WHEREAS, for more than 35 years, Carl Lynch III, M.D., has had a distinguished career in the School of Medicine. On faculty since 1981, he served as the Robert M. Epstein Professor of Anesthesiology from 1999 to 2008, and chair of the Department of Anesthesiology from 1999 to 2005. As Professor of Anesthesiology from 2008-present, he has continued to serve the Department as a clinician, educator and researcher; and

WHEREAS, The Department of Anesthesiology is honoring Dr. Lynch for his outstanding service as a major contributor to both the clinical and the academic missions of the Department of Anesthesiology and the University of Virginia by funding a professorship in his name;

RESOLVED, the Board of Visitors establishes the Carl Lynch III Professorship in Anesthesiology; and

RESOLVED FURTHER, the Board thanks the Department of Anesthesiology for their generosity in funding this important professorship, and congratulates Dr. Lynch for more than 35 years of exemplary service to the University.

8. UNIVERSITY OF VIRGINIA ENROLLMENT PROJECTIONS – THROUGH 2022-2023
(approved by the Academic and Student Life Committee on June 8, 2017)

WHEREAS, the State Council of Higher Education for Virginia requires that a six-year enrollment projection be submitted every two years by public institutions of higher education to assist in statewide enrollment planning efforts; and

WHEREAS, the University's existing enrollment plan, approved by the Board of Visitors in March 2015, must be updated to reflect projected undergraduate and graduate enrollment levels through 2023-2024; and

WHEREAS, the Board of Visitors revised its enrollment growth plans in 2015 to continue the incorporation of an additional undergraduate student growth of 1,673 students by 2020-2021; and

WHEREAS, in January 2017 the Board of Visitors approved the increase of an additional 100 in-state undergraduate students;

RESOLVED, the Executive Vice President and Provost is authorized to continue to implement plans with the State Council of Higher Education for Virginia which will allow the University to increase total enrollment by 1,411 over the period of 2016-2017 through 2023-2024.

9. RESOLUTION COMMENDING BRIAN BOLAND

(approved by the Academic and Student Life Committee on June 8, 2017)

WHEREAS, Brian Boland has completed 16 years of dedicated service to the University of Virginia, serving as the Cavaliers' head men's tennis coach; and

WHEREAS, Brian Boland has brought prestige and honor to the University in winning four NCAA Men's Tennis Championships in the last five years, including winning his third-consecutive in Athens, Georgia, on the 23rd of May of this year, six ITA National Team Indoor Titles, and 12 ACC Championships, compiling 453 wins, including a decade-long streak of 140-consecutive victories over Atlantic Coast Conference opponents, which was the longest streak by any team in any sport in conference history; and

WHEREAS, Brian Boland has distinguished himself as one of the most accomplished coaches in his profession, twice being lauded as the Intercollegiate Tennis Association National Coach of the Year, leading his team to a number one ranking in 10 different seasons as well as leading his team to the Final Four of the NCAA Men's Tennis Championship for an unprecedented eight straight years; and

WHEREAS, Brian Boland has served as a mentor to the young men under his charge, helping to lead them to personal athletic glories with four NCAA Singles Champions, three NCAA Doubles Champions, 43 All-Americans, 41 NCAA singles and 17 NCAA doubles participants, 59 All-ACC selections, three ITA National Players of the Year, two ITA National Freshmen of the Year, 10 ITA Regional Rookies of the Year, four ACC Freshmen of the Year, 12 ACC Tournament MVPs and three ACC Players of the Year; and

WHEREAS, Brian Boland has shown a ceaseless dedication to prioritizing academics with five athletes being lauded with the Atlantic Coast Conference Scholar-Athlete of the Year award and two-dozen players earning a spot on the All-ACC Academic team while his teams have had also the top GPA among the men's squads in UVA intercollegiate athletics in nine of the last 19 semesters, and been in the top-two for 14 of those, with the 2017 NCAA Champion squad also boasting the program's highest GPA on record; and

WHEREAS, Brian Boland has strived to build a culture of character, discipline, communication, and service, teaching his players the value of building relationships in addition to honing their athletic prowess in order to help prepare them to become future leaders; and

WHEREAS, Brian Boland, through his altruism and servanthood, has been embraced by the Charlottesville community for working hand-in-hand with municipal and business leaders as well as citizens throughout the area to create a symbiotic and reciprocal relationship between the program and the borough;

RESOLVED, the Academic and Student Life Committee of the Board of Visitors thanks Brian Boland for his exemplary service and wishes him all the best in his future endeavors.

10. 2017 MULTI-YEAR MAJOR CAPITAL PLAN FOR THE ACADEMIC DIVISION, HEALTH SYSTEM, AND COLLEGE AT WISE

(approved by the Finance and Buildings and Grounds Committees on June 9, 2017)

WHEREAS, in accordance with the capital projects approval process endorsed by the Buildings and Grounds Committee in November 2015, major capital projects are vetted by the Space Leadership Committee and executive leadership, as well as by appropriate committees of the Board of Visitors, to ensure alignment with the Cornerstone Plan and institutional priorities; and

WHEREAS, the projects included in the proposed 2017 Major Capital Plan are arrayed across a six-year plus timeframe based on the anticipated work related to each project; and

WHEREAS, the University is also engaging in several major capital planning studies that will result in specific projects in the future; and

WHEREAS, the Executive Vice President and Chief Operating Officer will confirm that appropriate funding is in place before any project commences construction;

RESOLVED, the 2017 Multi-Year Major Capital Plan for the Academic Division, the Health System, and the College at Wise is approved; and

RESOLVED FURTHER, the financial plans for capital projects expected to begin by 2018 in the update of the 2017 Multi-Year Major Capital Plan are complete and approved.

11. APPOINTMENT OF PETER M. GRANT II AS THE CHAIR OF THE UNIVERSITY OF VIRGINIA'S THIRD CENTURY CAMPAIGN

(approved by the Advancement Committee on June 9, 2017)

WHEREAS, this year the University of Virginia will enter the silent phase of its third century campaign, the largest fundraising effort at UVA to date; and

WHEREAS, the campaign will require strong and charismatic volunteer leadership to achieve success; and

WHEREAS, Mr. Peter M. Grant II, of Charlottesville, is a proud and engaged alumnus of the University, having graduated from the College of Arts and Sciences in 1978 and from the Darden School of Business in 1986; and

WHEREAS, Mr. Grant has served in multiple leadership roles including on University-level committees and school- and unit-based foundation boards and advisory councils, and he and his wife, Colleen Jennings Grant, have been generous supporters of the University for many years; and

WHEREAS, the characteristics demonstrated by Mr. Grant, including his experience, enthusiasm, and exceptional leadership and commitment to UVA, align perfectly with those qualities considered by the University to be essential for a successful campaign chair;

RESOLVED, the Board of Visitors appoints Peter M. Grant II as the Chair of the University of Virginia's third century campaign.

ATTACHMENTS

Attachment A

UVA Audit Department FY 2018-FY 2019+ Proposed Plan:

Education (Student Experience and Safety)			
Audit Topic	FY18	FY19+	ERM Risk Alignment
Admission Communications	X		Competitive Environment
Lab Safety (Undergrad)	X		Safety
Environmental Health & Safety	X		Safety
Student Health & Counseling		X	Safety
Dining and Residence Life Safety		X	Safety
Security and Integrity of Key Instructional Systems		X	IT Security
International Programs		X	Safety, IT Security
Clinical Care			
Legacy System Revenue Cycle	X		Technology
Epic Phase 2 Post-Implementation Revenue Cycle	X	X	Technology
Procurement Cycle Processes: Medical Devices		X	
Business Processes: <ul style="list-style-type: none"> • Financial Budgeting • Forecasting and Reserves • Clinical Trials Revenue 		X X X	
Research			
Pre-Award Processes	X	X	Research
Award Set Up Processes	X	X	Research
Award Management Processes	X	X	Research
Closeout Processes	X	X	Research
Fundamental Business and IT Processes			
Ufirst HR Transformation Project Health Check	X	X	Resource Allocation
IT Security across UVA (includes SecureUVA, Medical Devices, Key IT Systems, Key Database Access)	X	X	IT Security
Presidential and Executive Travel and Expenses	X	X	Leadership
UVA Travel and Expense Systems (New)	X		Resource Allocation
PCI Compliance	X	X	IT Security
Annual Inventories	X	X	
Construction Project Audits (co-sourced)	X	X	Resource Allocation
Strategic Investment Fund Reporting	X	X	Resources
Facilities Contract Management		X	Resource Allocation
Donor Gift Processing		X	Resources

UNIVERSITY OF VIRGINIA AUDIT DEPARTMENT CHARTER

Introduction Purpose:

Internal ~~a~~Auditing is an independent, ~~and~~ objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The UVA Audit Department assists UVA's Board of Visitors and University management in the discharge of their oversight, management, and operating responsibilities by providing independent assurance and consulting services to the University community. Our services add value by improving the control, risk management and governance processes to help the University achieve its business objectives. that is guided by a philosophy of adding value to improve the operations of the University of Virginia and the University of Virginia Health System (the University). Its mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Role Internal Auditing Policy:

It is the policy of the of the University to establish and support the Audit Department to assist the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's governance , risk management, and internal controls. The internal audit activity's responsibilities are defined by the Audit, Compliance, and Risk Committee (ACR Committee) of the Board of Visitors (Board) as part of its oversight role.

Authority:

The internal auditor, with strict accountability for confidentiality and safeguarding records and information, is authorized to have full, free, and unrestricted access to any and all of the University's records, physical properties, and personnel pertinent to carrying out an engagement.

All employees are requested to assist the Audit Department in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the ACR Committee and its chairman.

Organization:

The Chief Audit Executive will report functionally to the ACR Committee chairman, and administratively (~~i.e. day to day operations~~) to the President of the University. ~~through her delegate, the Executive Vice President and Chief Operating Officer.~~

The ACR Committee will:

- Approve the Audit Department charter.
- Approve the risk based audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the Chief Audit Executive on the Audit Department's performance relative to its plan and other matters.
- Approve decisions regarding the performance evaluation, appointment, or removal of the Chief Audit Executive
- Approve the remuneration of the Chief Audit Executive
- Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.

The Chief Audit Executive will communicate and interact directly with the ACR Committee, including in executive sessions and between ACR Committee meetings as appropriate.

Professional Standards

UVA's Audit Department will govern itself by adherence to The Institute of Internal Auditors' Mandatory Guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

The Audit Department will adhere to the University's relevant policies and procedures as well as the Generally Accepted Governmental Auditing Standards of the Government Accountability Office.

Core Principles for the Professional Practice of Internal Auditing:

The Audit Department will continuously strive to be effective by operating in a manner consistent with the IIA's Core Principles:

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.

- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organizational improvement.

Independence and Objectivity:

The internal audit activity will remain free from interference by any element in the University, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective function.

The Chief Audit Executive must disclose such interference to the ACR Committee and discuss the implications.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditors' independence or judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the ACR Committee annually the organizational independence of the Audit Department.

Responsibility:

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives. This includes:

- Evaluating the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.
- Evaluating risk exposure relating to achievement of the University's strategic objectives.
- Assessing whether the information technology governance of the organization supports the organization's strategies and objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
 - In order to enable this responsibility, 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 into 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.

- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the University.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency of resource utilization.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Assessing and making appropriate recommendations for improving the governance process in its accomplishment of the following objectives:
 - Promoting appropriate ethics and values within the organization
 - Ensuring effective organizational performance management and accountability
 - Communicating risk and control information to appropriate areas of the organization
 - Coordinating the activities of and communicating information among the board, external and internal auditors, and management.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Performing consulting services related to governance, risk management, and control.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the ACR Committee or management.
- Evaluating specific operations at the request of the ACR Committee or management, as appropriate.
- Reporting periodically on the Audit Department's purpose, authority, responsibility and performance relative to its plan.

Internal Audit Plan:

At least annually, the Chief Audit Executive will submit to senior management and the ACR an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next year.

The Chief Audit Executive will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management, the ACR, and Board.

The Chief Audit Executive will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the ACR through periodic activity reports.

Audit Department Services: Special Projects:

The Chief Audit Executive is empowered to conduct assurance services, special audit projects, reviews, ~~advisory services~~, or investigations at the request of the Board, ACR Committee, President, General Counsel, EVP Provost, EVP Chief Operating Officer, EVP Health Affairs, or their designee, to assist management in meeting its objectives, promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations. The Audit Department may also provide consulting services, beyond the Audit Department's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.

Coordination with External Auditing Agencies:

The Chief Audit Executive, with the goal of avoiding duplication of work, will coordinate the department's audit efforts with those of the Commonwealth of Virginia's Auditor of Public Accounts, or other external auditing agencies as applicable, 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.

Reporting and Monitoring:

A written report will be prepared and issued by the Chief Audit Executive or designee following the conclusion of each internal audit engagement and will be distributed as appropriate.

Internal audit results will be available for review by the ACR and Board of Visitors.

The internal audit report will include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response to

audit findings and recommendations should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The Audit Department will be responsible for appropriate follow-up on its engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

The ACR will receive periodic reporting from the Chief Audit Executive on the status of management's action plan implementation.

The Chief Audit Executive will periodically report to senior management and the ACR on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management, ACR, or the Board.

Quality Assurance and Improvement Program:

The ~~internal audit activity~~ Chief Audit Executive must develop and will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program must include both internal and external assessments to will include an evaluation evaluate of the internal audit activity's conformance with the ~~Definition of Internal Auditing~~ and the Standards and an evaluation of whether internal auditors abide by the Code of Ethics. External assessments must be conducted at least once every five years by a qualified independent assessor or assessment team from outside the organization.

The Chief Audit Executive must discuss with the ACR Committee:

- The form and frequency of external assessment;
- The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

The Chief Audit Executive ~~will communicate to senior management and the ACR on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years~~ must communicate results of the quality assurance and improvement program to senior management and the ACR Committee.

Updated on ~~September 18, 2015~~ June 8, 2017