

Report on the

# University of Alabama System Office

Tuscaloosa, Alabama

October 1, 2018 through September 30, 2020

Filed: October 1, 2021



## Department of Examiners of Public Accounts

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*Rachel Laurie Riddle, Chief Examiner*



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Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the University of Alabama System Office, Tuscaloosa, Alabama, for the period October 1, 2018 through September 30, 2020. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Zachary Pugh'. The signature is written in a cursive, flowing style.

Zachary Pugh  
Examiner of Public Accounts

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Department of  
**Examiners of Public Accounts**

**SUMMARY**

**University of Alabama System Office  
October 1, 2018 through September 30, 2020**

The University of Alabama System Office (the “System Office”) consists of three doctoral research universities: The University of Alabama, The University of Alabama at Birmingham, and The University of Alabama in Huntsville, as well as the UAB Health System and the System Office, which is the administrative home of the System. There are also several affiliated entities of the universities and the System Office that are separately organized primarily as supporting foundations. The System is governed by The Board of Trustees of The University of Alabama as stipulated by the Alabama Constitution. The purpose of the Board of Trustees is to ensure the effective leadership, management, and control of the institutions of the System in order to provide for a definitive, orderly form of governance, and to secure and maintain responsive, progressive, and superior institutions of higher education. The Board of Trustees created the present multi-university structure in 1969, and each of the component institutions has a unique mission that is consistent with the broader mission of the System.

The Board of Trustees executes its governance responsibilities through a Chancellor, who is chief executive officer of the System. A President heads each university with responsibility for university administration and reports directly to the Chancellor and through the Chancellor to the Board of Trustees. The Board of Trustees and the Chancellor delegate certain administrative functions and maintain such offices as deemed appropriate to meet the administrative needs of the System through the System Office. The Chancellor also provides linkage between the System and various components of state and federal governments, as well as other educational groups and organizations.

The firm of PricewaterhouseCoopers LLP, Certified Public Accountants, conducted a financial audit for the fiscal years ended September 30, 2019, and September 30, 2020, of the three universities and the System Office.

This report presents the results of an examination of the System Office and a review of the System Office’s compliance with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable state laws and regulations.

**EXIT CONFERENCE**

The following officials/employees were invited to an exit conference: Finis E. St. John IV, Chancellor; Dr. Dana Keith, Senior Vice-Chancellor for Finance and Administration; and Stan Acker, Assistant Vice-Chancellor for Finance and Administration. The following individuals attended the exit conference: Stan Acker, Assistant Vice-Chancellor for Finance and Administration, Erica Williams, Financial Operations and Reporting Manager, Cindy Weaver, Accountant, and Beretta Henderson, Manager of Payroll. Representing the Department of Examiners of Public Accounts were Peter M. Fisher, Audit Manager and Zachary Pugh, Examiner.



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**COMMENTS**

**University of Alabama System Office  
October 1, 2018 through September 30, 2020**

The University was created by federal land grants made to the State of Alabama on April 20, 1818, and on March 2, 1819. The Congressional land grants were made for the purposes of building a fund to create and support a “Seminary of Learning” in the State. The land grants, which were irrevocable without the consent of the United States, were accepted by the State Legislature in 1820. (Acts of the General Assembly of the State of Alabama (1820), pp.60-65.) The University opened its doors on April 18, 1831, as the University of the State of Alabama. The University was elevated in status as a separate, constitutional instrumentality in Article 264, as amended by Amendment 399, of the Constitution of Alabama (1901). Its statutory corporate existence, under the name “The Board of Trustees of the University of Alabama,” appears in the *Code of Alabama 1975*, Sections 16-47-1 to 16-47-204. Until 1969, the University, with the branch campuses and extension centers around the State, was headed by a single president in Tuscaloosa. In 1969, The Board of Trustees of The University of Alabama (the “Board”) established separate universities in Birmingham and Huntsville whose presidents, along with the president in Tuscaloosa, reported directly to the Board. In 1974, the Board appointed a University of Alabama System staff and in 1976 appointed a Chancellor as CEO of the System.

The Board entered into an agreement with the University of Alabama Health Services Foundation, P.C., in 1996 to create the UAB Health System, a nonprofit, 501(c)(3) corporation, for the purpose of coordinating and managing the existing and any future healthcare delivery operations of The University of Alabama at Birmingham and the Health Services Foundation. Operating entities affiliated with the Health System include University Hospital, the University of Alabama Health Services Foundation, the UAB Callahan Eye Hospital Authority, Medical West Hospital Authority, the Health Care Authority for Baptist Health, Triton Health Systems, the Valley Foundation, the Health Care Authority of the City of Greenville, J. Paul Jones Hospital, Brian Whitfield Memorial Hospital, Cooper Green Mercy Health Services Authority, the Russell Hospital and multiple Ascension St. Vincent’s hospitals surrounding the Birmingham, Alabama metropolitan statistical area.

Alabama's principal tertiary healthcare provider, the UAB Health System treats more than one million patients annually and is a global leader in patient care, biomedical research, comprehensive clinical care, and training for the nation's top medical students. UAB Medicine is known worldwide for highly specialized services, including the only Level I trauma center in Alabama, an organ and bone marrow transplant center, a burn center, the O'Neal Comprehensive Cancer Center, and a Level IV regional neonatal intensive care unit. UAB's Comprehensive Transplant Center is a national leader in kidney transplants.

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## *Additional Information*



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***Board Members and Officials***  
***October 1, 2018 through September 30, 2020***

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<b>Board Members</b>		<b>Term Expires</b>
Hon. Kay Ivey	Governor of Alabama	Ex-Officio
Hon. Harris V. Morrisette	First District	2021
Hon. Marietta M. Urquhart	First District	2024
Hon. Joseph C. Espy, III	Second District (Until September 16, 2020)	2019
Hon. Robert C. Brock	Second District (Effective September 17, 2020)	2026
Hon. W. Davis Malone, III	Second District	2022
Hon. Kenneth L. Vandervoort, M.D.	Third District	2023
Hon. James W. Wilson, III	Third District	2026
Hon. Scott M. Phelps	Fourth District	2022
Hon. Evelyn VanSant Mauldin	Fourth District (Effective June 7, 2019)	2025
Hon. Ronald W. Gray	Fifth District	2026
Hon. William Britt Sexton	Fifth District	2023
Hon. W. Stancil Starnes	Sixth District	2022
Hon. Vanessa Leonard	Sixth District	2025
Hon. Karen P. Brooks	Seventh District	2021
Hon. John H. England, Jr.	Seventh District	2021
Hon. Barbara Humphrey	Seventh District	2024

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***Board Members and Officials***  
***October 1, 2018 through September 30, 2020***

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**Officials**

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Finis E. St. John, IV	Chancellor (Effective April 12, 2019)
	Interim Chancellor (Until April 11, 2019)
Dr. Dana Keith	Vice-Chancellor for Finance and Administration
Clay Ryan	Vice-Chancellor for Governmental Affairs and Economic/ Workforce Development
Marvell Bivins	Chief Audit Officer
Dr. Charles R. Nash	Senior Vice-Chancellor Emeritus for Academic and Student Affairs (Effective January 1, 2020 through July 31, 2020)
	Vice-Chancellor for Academic and Students Affairs (Until December 1, 2019)
Dr. Tonjanita Johnson	Senior Vice-Chancellor for Academic and Student Affairs (Effective December 2, 2019)
Kellee Reinhart	Senior Vice-Chancellor for Communications and Community Relations
Sid J. Trant	General Counsel and Senior Vice-Chancellor (Effective September 16, 2019)
	General Counsel and Secretary of the Board of Trustees (Until September 15, 2019)
Mark D. Foley, Jr.	Secretary of the Board of Trustees (Effective September 16, 2019)