

January 19, 2001

MEMORANDUM

TO: The Audit Committee:

Elizabeth A. Twohy, Chair
Timothy B. Robertson
Benjamin P.A. Warthen
James C. Wheat, III
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Elsie Goodwyn Holland
Charles M. Caravati, Jr.	Gordon F. Rainey, Jr.
William G. Crutchfield, Jr.	Terence P. Ross
Charles L. Glazer	Walter F. Walker
William H. Goodwin, Jr.	Joseph E. Wolfe
T. Keister Greer	Stephen S. Phelan, Jr.

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Audit Committee
on Friday, January 19, 2001

The Audit Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:10 a.m., Friday, January 19, 2001, in the Board Room of the Rotunda; James C. Wheat, III, Acting Chair, presided in the absence of the Chair.

Timothy B. Robertson, Benjamin P.A. Warthen and John P. Ackerly, III, Rector, were present.

Also present were Thomas J. Bliley, Jr., Charles M. Caravati, Jr., M.D., William G. Crutchfield, Jr., William H. Goodwin, Jr., T. Keister Greer, Mrs. Elsie Goodwyn Holland, Gordon F. Rainey, Jr., Terence P. Ross, Joseph E. Wolfe, and Stephen S. Phelan, Jr.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara J. Deily, Robert W. Cantrell, M.D., Peter W. Low, Ms. Colette Sheehy, Robert D. Sweeney, William W. Harmon, Robert E. Reynolds, M.D., Gene D. Block, Terry Holland, George E. Culbertson, Stephen A. Kimata, Larry L. Fitzgerald, Walter Kucharski, and Ms. Jeanne Flipppo Bailes.

The Acting Chair asked Ms. Deily, Director of Audits, to present the Agenda. Ms. Deily introduced Mr. Walter Kucharski, Auditor of Public Accounts of the Commonwealth, who delivered his customary report on the annual Audit of the University.

Referring to the published Audit Report, copies of which had been mailed previously to the Committee, Mr. Kucharski explained the format of the Report. The Auditors, Mr. Kucharski said, noted three points at the Medical Center and made the following recommendations: That security be strengthened over critical information systems and network; that formal change control procedures be developed over its Peoplesoft and Oracle applications; and that controls over timely deletion of systems access be strengthened.

Mr. Fitzgerald, Associate Vice President of Health Sciences for Finance, responded on behalf of management. He concurred with the Auditor's recommendations and outlined the steps being taken to rectify the shortcomings.

The Committee adopted a motion to go into Executive Session in order that the Board might, as is customary, confer privately and in the absence of the Administration, with the Auditor of Public Accounts.

That the Audit Committee of the Board of Visitors of the University of Virginia go into Executive Session for the purpose of considering with General Counsel the University Auditor's evaluations of University departments and programs, which will necessarily involve consideration of the performance of specific employees and proprietary business related information pertaining to the Medical Center, as provided for in Section 2.1-344 (A) (1), (7) and (23) of the Code of Virginia.

The Committee went into Executive Session at 9:15 a.m., resumed in Open Session at 9:30 a.m., and, on motion, adjourned.

AGG:jb

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Terry Holland
Mr. George Culbertson
Mr. Peter W. Low
Dr. Robert E. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Ms. Barbara J. Deily
Ms. Louise Dudley

At a meeting of the Audit Committee of the Board of Visitors of the University of Virginia held on January 19, 2001, a roll call vote was taken immediately following an executive session. Members voting "yes" certify that to the best of the Member's knowledge (1) only public business matters lawfully exempted were discussed in closed session; and (2) only public business matters identified in the public motion by which the executive or closed meeting were discussed. In accordance with the law, any member of the public body who believes that there was a departure from the foregoing shall so state prior to the vote indicating "the substance of the departure". Any such statements are recorded below under "comments".

<u>NAME</u>	<u>VOTE</u>	<u>COMMENTS</u>
	<u>yes or no</u>	
John P. Ackerly, II	yes	
Thomas J. Bliley, Jr.	yes	
Charles M. Caravati, Jr.	yes	
William G. Crutchfield, Jr.	yes	
Charles L. Glazer		absent
William H. Goodwin, Jr.	yes	
T. Keister Greer	yes	
Elsie Goodwyn Holland	yes	
Gordon F. Rainey, Jr.	yes	
Timothy B. Robertson	yes	
Terence P. Ross	yes	
Elizabeth A. Twohy		absent
Walter F. Walker	yes	
Benjamin P.A. Warthen	yes	
James C. Wheat, III	yes	
Joseph E. Wolfe	yes	
Stephen S. Phelan, Jr.	yes	

ADDENDUM TO THE OFFICIAL MINUTES OF THE MEETING
OF THE BOARD OF VISITORS OF THE UNIVERSITY OF
VIRGINIA

Meeting Date: January 19, 2001

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS the Audit Committee of the Board of Visitors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS Section 2.1-344.1 of the Code of Virginia requires a certification by this Audit Committee that such executive meeting was conducted in conformity with Virginia law;

NOW THEREFORE BE IT RESOLVED that the Audit Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Audit Committee.

VOTE

AYES: 15

NAYS: 0

[For each nay vote, the substance of the departure from the requirements of the Act should be described].

ABSENT DURING VOTE: 2

ABSENT DURING MEETING: 2

Alexander G. Gilliam, Jr.
Secretary, Board of Visitors,
University of Virginia