

February 25, 2000

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:

Charles M. Caravati, Jr., M.D.	Terence P. Ross
Champ Clark	Robert G. Schoenvogel
William G. Crutchfield, Jr.	Albert H. Small
William H. Goodwin, Jr.	Henry L. Valentine, II
T. Keister Greer	Walter F. Walker
Elsie Goodwyn Holland	Joseph E. Wolfe

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Audit Committee on
February 25, 2000

The Audit Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:00 a.m., Friday, February 25, 2000, in the East Oval Room of the Rotunda; Ms. Elizabeth A. Twohy, Chair, presided. Timothy B. Robertson, Benjamin P.A. Warthen, James C. Wheat, III, and John P. Ackerly, III were present.

Other Members of the Board present were Charles M. Caravati, Jr, M.D., Champ Clark, William G. Crutchfield, Jr., William H. Goodwin, Jr., T. Keister Greer, Terence P. Ross, Albert H. Small, Henry L. Valentine, II, Joseph E. Wolfe, and Robert G. Schoenvogel.

Also present 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, Ernest H. Ern, Robert E. Reynolds, M.D., Gene D. Block, L. Jay Lemons, Walter Kucharski, Joseph Stepp, Gary Meyers, Larry Fitzgerald, Charles T. Gillet, and Ms. Jeanne Flipppo Bailes.

The Chair asked Ms. Deily, University Auditor, to present the Agenda.

Ms. Deily introduced Mr. Walter Kucharski, Auditor of Public Accounts of the Commonwealth, who gave his customary report on the annual audit of the University. Mr. Kucharski noted that Mr. Gary Meyers, who has supervised the annual audit of the University for some years, will be moving on to another job.

Mr. Kucharski gave a quick summary of the audit and the management letter. The report of the audit, he reminded the Committee, is published in three parts: intercollegiate athletic programs, the Medical Center, and the Academic Division. The University has a clear report on finances, he said. His report does contain some recommendations about systems security at the Medical Center and about some accounting procedures in the Academic Division: recording of cash transactions, immediate reporting of wire transactions and bank reconciliations to be reported in a timely fashion.

Mr. Sandridge responded on behalf of the Academic Division, listing the corrective measures that have been taken. Mr. Fitzgerald responded on behalf of the Medical Center: most of the recommendations made by the Auditor have been carried out, but some of the systems problems will take as long as 24 months to correct.

The Committee adopted the following motion to go into Executive Session:

That the Audit Committee of the Board of Visitors of the University of Virginia go into Executive session for the purpose of discussing and considering with General

Counsel reports and recommendations of the University Auditor regarding performance evaluations of University departments and programs, which will also involve discussion of the performance of specific employees, as provided for in Section 2.1-344 (A) (1) of the Code of Virginia.

The Committee went into Executive Session at 9:10 a.m., resumed in Open Session at 9:50 a.m., and, on motion, recessed until the afternoon. The Committee resumed its meeting, in Executive Session, at 3:00 p.m., completed its business at 3:10 p.m., and adjourned.

AGG:lah

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

At a meeting of the Audit Committee of the Board of Visitors of the University of Virginia held on February 25, 2000 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>	
<u>John P. Ackerly, III</u>	<u>yes</u>	
<u>Charles M. Caravati, Jr.</u>	<u>yes</u>	
<u>Champ Clark</u>	<u>yes</u>	
<u>William G. Crutchfield, Jr.</u>		<u>absent</u>
<u>William H. Goodwin, Jr.</u>	<u>yes</u>	
<u>T. Keister Greer</u>	<u>yes</u>	
<u>Mrs. Elsie Goodwyn Holland</u>		<u>absent</u>
<u>Timothy B. Robertson</u>	<u>yes</u>	
<u>Terence P. Ross</u>	<u>yes</u>	
<u>Albert H. Small</u>	<u>yes</u>	
<u>Elizabeth A. Twohy</u>	<u>yes</u>	
<u>Henry L. Valentine, II</u>	<u>yes</u>	
<u>Walter F. Walker</u>		<u>absent</u>
<u>Benjamin P.A. Warthen</u>	<u>yes</u>	
<u>James C. Wheat, III</u>		<u>absent</u>
<u>Joseph E. Wolfe</u>	<u>yes</u>	
<u>Robert G. Schoenvogel</u>	<u>yes</u>	

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

Meeting Date: February 25, 2000

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: 13

NAYS: 0

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

ABSENT DURING VOTE: 4

ABSENT DURING MEETING: 1

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