

January 25, 2002

MEMORANDUM

TO: The Audit Committee:

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

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	T. Keister Greer
Charles M. Caravati, Jr., M.D.	Elsie Goodwyn Holland
William G. Crutchfield, Jr.	Gordon F. Rainey, Jr.
Thomas F. Farrell, II	Terence P. Ross
Charles L. Glazer	Thomas A. Saunders, III
William H. Goodwin, Jr.	Sasha L. Wilson
Joseph E. Wolfe	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Audit Committee on  
January 25, 2002

The Audit Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:05 a.m., Friday, January 25, 2002, in the Board Room of the Rotunda; Ms. Elizabeth A. Twohy, Chair, presided. 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., Thomas F. Farrell, II, Charles L. Glazer, William H. Goodwin, Jr., T. Keister Greer, Gordon F. Rainey, Jr., Terence P. Ross, Thomas A. Saunders, III, and Ms. Sasha L. Wilson.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara Deily, Gene D. Block, Ms. Colette Sheehy, Robert E. Reynolds, M.D., Ms. Yoke San Reynolds, R. Ariel Gomez, M.D., Ralph W. Traylor, Larry L. Fitzgerald, and Ms. Jeanne Flippo Bailes.

Walter Kucharski, Auditor of Public Accounts of the Commonwealth, as is customary at the winter Board meeting, was present to meet with the Board.

R. Edward Howell was present as an observer.

The Chair asked Ms. Deily, Director of Audits, to present the Agenda. Ms. Deily introduced Mr. Ralph Traylor who gave a brief report on compliance questions in the Health System.

Ms. Deily then introduced Mr. Walter Kucharski, Auditor of Public Accounts of the Commonwealth, who reported on the annual state audit of the University.

Mr. Kucharski made several recommendations in the Audit and attendant Management Letter: that, in the University Division, the University implement complete exit interview procedures; that staff holders of University charge cards and their supervisors must review and reconcile charge statements; that in the Health System security initiatives over critical information systems and network be continued; and that, also in the Health System, the new change control procedures over PeopleSoft and Oracle applications be implemented.

Ms. Yoke San Reynolds responded on behalf of the University Division and Mr. Larry Fitzgerald on behalf of the Health System. Both concurred with the recommendations of the Audit.

On motion, the Committee went into Executive Session at 9:25 a.m.

That the Audit Committee of the Board of Visitors of the University of Virginia go into Executive Session to consider with General Counsel the University Auditor's evaluations of University departments and programs, which

will necessarily involve discussion and evaluation of the performance of specific managers and University personnel; and proprietary business information pertaining to Medical Center operations and its regulatory compliance, as provided for in Section 2.2-3711 (A) (1), (7) and (23) of the Code of Virginia.

The Committee resumed in Open Session at 9:45 a.m., and, after attesting to the legality of the Executive Session, and on further motion, adjourned.

That we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion(s) authorizing the closed session, were heard, discussed or considered in closed session.

AGG:lah

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/auditminutes.html>