

April 4, 2003

MEMORANDUM

TO: The Audit Committee:

Terence P. Ross, Acting Chair
Warren M. Thompson
Gordon F. Rainey, Jr., Ex Officio

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Don R. Pippin
William G. Crutchfield, Jr.	Thomas A. Saunders, III
Susan Y. Dorsey	Warren M. Thompson
Charles L. Glazer	E. Darracott Vaughan, Jr., M.D.
William H. Goodwin, Jr.	Georgia M. Willis
Mark J. Kington	John O. Wynne
Lewis F. Payne	H. Timothy Lovelace, Jr.

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Audit Committee on
April 4, 2003

The Audit Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 10:00 a.m., Friday, April 4, 2003, in the East Oval Room of the Rotunda; Terence P. Ross, Acting Chair, presided. Warren M. Thompson and Gordon F. Rainey, Jr., Rector, were present.

Also present were Thomas J. Bliley, Jr., William G. Crutchfield, Jr., Ms. Susan Y. Dorsey, Thomas F. Ferrell, II, Charles L. Glazer, Mark J. Kington, Lewis F. Payne, Jr., Don R. Pippin, Thomas A. Saunders, III, Ms. Georgia M. Willis, John O. Wynne, and H. Timothy Lovelace, Jr.

John R.M. Rodney, the Student Member-elect, was present.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara Deily, Gene D. Block, Robert D. Sweeney, R. Edward Howell, Arthur Garson, Jr., M.D., Ms. Patricia M. Lampkin, Ms. Yoke San L. Reynolds, Robert E. Reynolds, M.D., R. Ariel Gomez, M.D., William W. Harmon, Craig K. Littlepage, Ralph Traylor, and Ms. Jeanne Flippo Bailes.

The Acting Chair introduced Ms. Deily to the new Members, and then asked her to present the Agenda.

Ms. Deily first explained the nature of the Audit Committee and compared its functions to those of corporate audit committees.

She then presented a report on the status of audits done, in progress or scheduled during the current fiscal year. Some 82% of scheduled audits have been completed or are in progress; all unscheduled audit projects are complete or in progress.

Ms. Deily next introduced Mr. Ralph Traylor, the University's Corporate Compliance Officer, who reported on the status of the Corporate Compliance Agreement, which is in its second year of existence.

The Committee approved 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 to discuss and seek the advice of our General Counsel with respect to the Auditor's evaluation of specific University departments, which will also involve discussion of the performance of University managers and personnel; and, in the case of the Medical Center, will mean consideration of personnel performance and regulatory compliance involving the Medical Center's proprietary business-related information at the Medical Center where disclosure at this time would adversely affect the competitive position of the Medical Center. This action is provided for in Section 2.2-3711 (A) (1), (7) and (23) of the Code of Virginia.

The Committee went into Executive Session at 10:10 a.m.

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The Committee resumed in Open Session at 10:30 a.m., and after voting to certify that nothing illegal had been discussed in Executive Session, adopted the following motion and adjourned:

Mr. Rector, I move 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:jb

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

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