

February 6, 2004

MEMORANDUM

TO: The Audit and Compliance Committee:

Charles L. Glazer, Chair
Thomas J. Bliley, Jr.
Don R. Pippin
Terence P. Ross
Warren M. Thompson
Georgia M. Willis
Gordon F. Rainey, Jr., Ex Officio

and

The Remaining Members of the Board:

William G. Crutchfield, Jr.	Lewis F. Payne
Susan Y. Dorsey	Thomas A. Saunders, III
Thomas F. Farrell, II	E. Darracott Vaughan, Jr., M.D.
William H. Goodwin, Jr.	John O. Wynne
Mark J. Kington	John R.M. Rodney

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Audit and Compliance
Committee on February 6, 2004

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 8:15 a.m., on Friday, February 6, 2004, in the East Oval Room of the Rotunda; Charles L. Glazer, Chair, presided. Thomas J. Bliley, Jr., Warren M. Thompson, Ms. Georgia M. Willis, and Gordon F. Rainey, Jr., Rector, were present.

Present as well were William H. Goodwin, Jr., Lewis F. Payne, E. Darracott Vaughan, Jr., M.D., John O. Wynne, and John R.M. Rodney.

Also present were Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara J. Deily, Gene D. Block, Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, R. Edward Howell, Arthur Garson, Jr., M.D., Robert E. Reynolds, M.D., and Ms. Jeanne F. Bailes.

Present, too, was Walter J. Kucharski, Auditor of Public Accounts of the Commonwealth, and members of his staff.

The Chair and Ms. Deily, University Auditor, reminded the Committee that the Auditor of Public Accounts of the Commonwealth customarily appears before the Board of Visitors at the Winter meeting to report on his findings in his annual audit of the University and the Health System.

Mr. Kucharski told the Committee that the University's 2002-03 fiscal year financial statements "presented fairly" the position of the University. He commented on the fact that there were no management comments this year. He brought up the subject of Government Accounting Standards Board 39 and told the Committee that the financial statements of some of the foundations will need to be included with the University's financial statements next year. The question of which foundations are to be included is still under discussion.

After adopting the following motion, the Committee went into Executive Session at 8:20 a.m.:

That the Audit and Compliance Committee of the Board of Visitors of the University of Virginia go into Executive Session to discuss and seek the advice of the University's General Counsel with respect to the auditor's evaluation of specific University departments. This will also involve discussion of the performance of University managers and personnel and, in the case of the Medical Center, consideration of personnel performance and regulatory compliance. This will involve proprietary business-related information at the Medical Center where disclosure at this time would adversely affect the competitive position of the Medical Center. The relevant citations are in Section 2.2-3711 (A) (1), (7) and (23) of the Code of Virginia.

The Committee adjourned at 8:45 a.m., after adopting the following resolution certifying that its discussions in Executive Session were conducted in accordance with the exemptions enumerated in the Virginia Freedom of Information Act:

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.

The Committee met again, very briefly, at 11:00 a.m. the same day, February 6th, to report to the full Board on its actions at its meeting earlier in the day.

AGG:lah

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

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