

June 11, 2004

MEMORANDUM

TO: The Audit and Compliance Committee:

Georgia M. Willis, Chair
G. Slaughter Fitz-Hugh, Jr.
Don R. Pippin
Terence P. Ross
Warren M. Thompson
Gordon F. Rainey, Jr., Ex Officio

and

The Remaining Members of the Board:

William G. Crutchfield, Jr.	Mark J. Kington
Susan Y. Dorsey	Lewis F. Payne
Thomas F. Farrell, II	Thomas A. Saunders, III
W. Heywood Fralin	E. Darracott Vaughan, Jr., M.D.
Glynn D. Key	John O. Wynne
James W. Head	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Audit and Compliance
Committee on June 11, 2004

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:40 a.m., Friday, June 11, 2004, in the East Oval Room of the Rotunda; Ms. Georgia M. Willis, Chair, presided. G. Slaughter Fitz-Hugh, Jr., Don R. Pippin, Warren M. Thompson, and Gordon F. Rainey, Jr., Rector, were present.

Also present were William G. Crutchfield, Jr., Ms. Glynn D. Key, E. Darracott Vaughan, Jr., M.D., John O. Wynne, and James W. Head.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara Deily, Ralph W. Traylor, Gene D. Block, Arthur Garson, Jr., M.D.,

R. Edward Howell, Ms. Yoke San L. Reynolds, and Ms. Jeanne Flippo Bailes.

The Chair asked Ms. Deily, Director of Audits, to present the Agenda.

Ms. Deily presented the proposed audit schedule for the 2004-2005 Fiscal Year and asked for a resolution approving it.

The Committee adopted the resolution and recommended it to the full Board for approval.

APPROVAL OF THE AUDIT SCHEDULE

RESOLVED that the Audit Schedule for Fiscal Year 2004-2005 is approved as recommended by the Audit & Compliance Committee.

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Ms. Deily introduced Mr. Ralph Traylor, Corporate Compliance Officer, who gave a brief update on the Corporate Compliance Agreement.

Ms. Deily then reviewed the Audit Department Charter, a document which will be presented to the Committee for final approval in the fall. On motion, the Committee approved the work done so far on the draft.

On motion, the Committee went into Executive Session at 9:50 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 specific University managers and personnel and, in the case of the Medical Center, consideration of both personnel performance and proprietary business-related information where disclosure at this time would adversely affect the competitive position of the Medical Center. This is provided for in Section 2.2-3711 (A) (1), (7) and (23) of the Code of Virginia.

The Committee resumed in Open Session at 10:00am, after adopting a resolution certifying that their discussions in Executive Session had been conducted in accordance with the exemptions provided by 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 then adopted two resolutions and recommended them to the full Board for approval:

APPROVAL OF THE COMPLIANCE SCHEDULE

RESOLVED that the Compliance Schedule for the period July 1, 2004, through June 30, 2005, as presented by the Corporate Compliance Officer, is approved as recommended by the Audit & Compliance Committee.

APPROVAL OF THE SUMMARY OF AUDIT FINDINGS

RESOLVED that the Summary of Audit Findings for the period March 1, 2004, through April 30, 2004, as presented by the Director of Audits, is approved as recommended by the Audit & Compliance Committee.

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On motion, the Committee adjourned at 10:00 a.m.

AGG:jb

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

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