

October 1, 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 October 1, 2004

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 2:35 p.m., Friday, October 1, 2004, in the East Oval Room of the Rotunda; Ms. Georgia M. Willis, Chair, presided. G. Slaughter Fitz-Hugh, Jr., Don R. Pippin, Terence P. Ross, Warren M. Thompson, and Gordon F. Rainey, Jr., Rector, were present.

Also present were Thomas F. Farrell, II, Ms. Susan Y. Dorsey, W. Heywood Fralin, Ms. Glynn D. Key, Mark J. Kington, Lewis F. Payne, E. Darracott Vaughan, Jr., M.D., John O. Wynne, and James W. Head.

Present as well were Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara J. Deily, Gene D. Block, Arthur Garson, Jr., M.D., William W. Harmon, Ms. Patricia M.

Lampkin, Robert E. Reynolds, M.D., Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, and Ms. Jeanne Flippo Bailes.

The Chair noted that a new Audit Charter had to be approved, as well as a Code of Ethics. She thanked Ms. Deily and Mr. Forch for their work on both documents.

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

#### THE AUDIT CHARTER

Ms. Deily described briefly several minor changes that have been made to the Charter since it was last brought before the Committee. She then proposed a resolution to approve it.

On motion, the Committee approved the following resolution and recommended it to the full Board for approval:

#### APPROVAL OF THE AUDIT CHARTER

RESOLVED that the Audit Charter is approved as recommended by the Audit and Compliance Committee.

#### CODE OF ETHICS

Ms. Deily reminded the Committee that the Code of Ethics was requested by the Board of Visitors at its June meeting. A draft was discussed by the Audit and Compliance Committee at its meeting in June and several changes were suggested. The revised draft is now being presented for approval.

On motion, the Committee approved the following resolution on the Code of Ethics and recommended it to the full Board for approval:

#### APPROVAL OF THE CODE OF ETHICS

RESOLVED that the Code of Ethics is approved as recommended by the Audit and Compliance Committee.

#### AUDIT SCHEDULE

Ms. Deily reported that as of June 30<sup>th</sup>, all scheduled audits for the fiscal year that ended on that date have been completed or are in progress. Some \$570,000 in savings was identified in the audits.

Similarly, all unscheduled audit projects have been done or are in progress.

QUALITY ASSESSMENT REVIEW

Ms. Deily said her department underwent a review by outside assessors and came through with high marks.

EXECUTIVE SESSION

On motion, the Committee adopted the following motion to go into Executive Session:

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.

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The Committee went into Executive Session at 2:45 p.m. and resumed in Open Session at 2:50 p.m., after adopting the following resolution certifying that its Executive Session discussions had been conducted in accord with the rules set 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.

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On motion, the Committee adjourned.

AGG:lah

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

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