

September 11, 2006

MEMORANDUM

TO: The Audit and Compliance Committee:

Georgia Willis Fauber, Chair
G. Slaughter Fitz-Hugh, Jr.
Vincent J. Mastracco, Jr.
Don R. Pippin
Warren M. Thompson
Thomas F. Farrell, II, Ex Officio

and

The Remaining Members of the Board:

Daniel R. Abramson	Glynn D. Key
A. Macdonald Caputo	Lewis F. Payne
Alan A. Diamonstein	Gordon F. Rainey, Jr.
Susan Y. Dorsey	E. Darracott Vaughan, Jr., M.D.
W. Heywood Fralin	John O. Wynne
Anne Elizabeth Mullen	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Audit and Compliance
Committee on September 11, 2006

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 5:15 p.m., Monday, September 11, 2006, in the Byrd Seminar Room of the Harrison Institute; Vincent J. Mastracco, Jr., served as Acting Chair vice Mrs. Georgia Willis Fauber who was unable to attend the meeting because of illness. Warren M. Thompson and Thomas F. Farrell, II, Rector, were present.

Also present were W. Heywood Fralin, Daniel R. Abramson, A. Macdonald Caputo, Alan A. Diamonstein, Lewis F. Payne, Gordon F. Rainey, Jr., and John O. Wynne.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Barbara J. Deily, R. Ariel Gomez, M.D., R. Edward Howell, Ms. Yoke San L.

Reynolds, Ms. Colette Sheehy, William B. Harvey, David J. Prior, David J. Hudson, Ralph W. Traylor, and Ms. Jeanne Flipppo Bailes.

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

AUDIT AND COMPLIANCE COMMITTEE GOALS AND WORK PLAN

Ms. Deily reported that the Committee was on track with its goals, established at the Board Retreat in July.

AUDIT DEPARTMENT ACCOMPLISHMENTS

The Audit Department, Ms. Deily reported, completed all of its audit projects, both scheduled and unscheduled, for the fiscal year which ended June 30th. She noted that cost savings or possible recoveries of \$1,062,000 were identified in audits conducted during the last fiscal year.

COMPLIANCE TRAINING

Ms. Deily introduced Mr. David Hudson, Associate Vice President for Research and Graduate Studies, who made a presentation on compliance issues with human subjects research.

COMPLIANCE PILOT EFFECTIVENESS

Mr. Ralph Traylor, Chief Compliance Officer for the Medical Center, described a pilot project at the Medical Center on compliance effectiveness.

EXECUTIVE SESSION

After adopting the following motion, the Committee went into Executive Session at 5:35 p.m.:

That the Audit and Compliance Committee of the Board of Visitors of the University of Virginia convene in Executive Session to review and discuss the audit of specific University and Medical Center departments, to include consulting with General Counsel on compliance with federal CMS regulations. Our oversight review will involve evaluating the performance of specific University managers and personnel and, in the case of the Medical Center, evaluation of its proprietary business-related information relating to adequacy of billing documentation and fiscal management practices 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 5:40 p.m. and adopted the following resolution certifying that its discussions in Executive Session had been conducted in accord with the exemptions specified 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.

APPROVAL OF THE SUMMARY OF AUDIT FINDINGS, MAY 1-JULY 31, 2006

On motion, the Committee adopted the following resolution:

RESOLVED that the Summary of Audit Findings for the period May 1, 2006, through July 31, 2006, as presented by the Director of Audits, is approved as recommended by the Audit & Compliance Committee.

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On further motion, the Committee adjourned its meeting at 5:45pm.

AGG:lah

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

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