

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS  
MEETING OF THE  
AUDIT AND COMPLIANCE COMMITTEE  
JUNE 11, 2009**

AUDIT AND COMPLIANCE COMMITTEE  
(Open Session)

Thursday, June 11, 2009  
3:00 - 3:30 p.m.  
Board Room, The Rotunda

Committee Members:

Austin Ligon, Chair

Helen E. Dragas

Robert D. Hardie

Vincent J. Mastracco, Jr.

Don R. Pippin

Warren M. Thompson

W. Heywood Fralin, Ex-officio

AGENDA

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- IV. APPROVAL OF COMPLIANCE PROJECT SCHEDULE AND  
SUMMARY OF AUDIT FINDINGS

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

BOARD MEETING: June 11, 2009

COMMITTEE: Audit and Compliance

AGENDA ITEM: I. Audit Schedule

BACKGROUND: Ms. Deily will present the proposed Audit Schedule for the 2009-2010 Fiscal Year. This Schedule has been developed based on required work from state and external agencies, information risk assessment models, requests from management, and analyses of work performed in prior years.

ACTION REQUIRED: Approval by the Audit and Compliance Committee and by the Board of Visitors

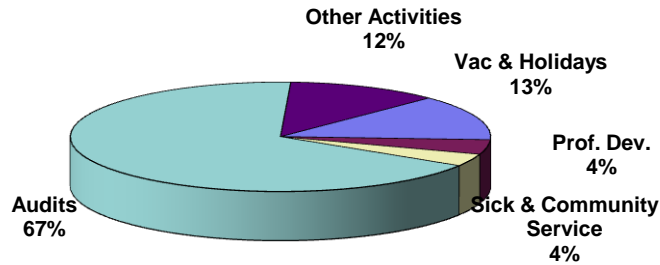
APPROVAL OF THE AUDIT SCHEDULE FOR FISCAL YEAR 2009-2010

RESOLVED, the Audit Schedule for Fiscal Year 2009-2010 is approved as recommended by the Audit and Compliance Committee.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

Determination of Hours Available  
for 2009-2010 Audit Projects

	<b>Total</b>
<b>Total Hours Available</b>	<b>35,360</b>
<b>Less:</b>	
<b>Vacancies</b>	<b>0</b>
<b>Sub-Total</b>	<b>35,360</b>
<b>Professional Development</b>	<b>1,528</b>
<b>Vacations and Holidays</b>	<b>4,742</b>
<b>Sick Leave and Community Service</b>	<b>1,296</b>
<b>Other Activities</b>	
• Office and Personnel Administration	
• Recruiting	
• Committee & Council Meetings	
• Travel	
<b>Hours Available for Audit Projects</b>	<b>23,652</b>



UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

Allocation of Hours Available for Audit Projects

Fiscal Year 2009-2010	Total
Hours Available for Audit Projects	23,652
Less:	
Wrap-up of FY 08 - 09 Audit Schedule	490
Unscheduled Audits/Special Requests/Hotline Projects	7,383
General Systems Development & Consulting	1,015
External Assistance	377
Board Preparation & Mtgs	124
IT Support of Projects/Activities	1,082
General Project Support/Supervision/Strategic Planning	3,295
Hours Available for Scheduled Audit Projects	9,886

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

2009-2010 Audit Schedule

UNIVERSITY

DEPARTMENT/DIVISION	BUDGETED HOURS
<b>ADMINISTRATIVE &amp; SUPPORT SERVICES</b>	
Degree Audit	500
Treasury Operations	500
ARMICS	150
Grant Expenditures	500
P-Card	300
Mail Services	350
<b>ATHLETICS</b>	
Game Settlements - Football	40
NCAA Compliance - Recruiting	400
<b>PROVOST ACTIVITIES</b>	
Law School	350
<b>OTHER ACTIVITIES</b>	
University Bookstore/Cavalier Computers - Inventory	100
Follow-Up Audit - University	300
Awarding of Benefits by Foundation	100
Compliance Audits	1533
<b>UNIVERSITY TOTAL</b>	<b>5,123</b>

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

2009-2010 Audit Schedule

HEALTH SYSTEM

DEPARTMENT/DIVISION	BUDGETED HOURS
<b>PATIENT CARE ACTIVITIES</b>	
General Clinical Research Center	350
<b>ADMINISTRATIVE &amp; SUPPORT SERVICES</b>	
Account Write-off Process	400
Financial Screening Process	400
Health System - Human Resources	300
<b>SCHOOL OF MEDICINE</b>	
Continuing Medical Education	350
Enterprise Reporting System - Department of Medicine	350
Public Health System	350
Follow-Up Audit	150
<b>SCHOOL OF NURSING</b>	
Grants	350
<b>OTHER ACTIVITIES</b>	
ARMICS - Medical Center	200
Follow-up Audit - Medical Center	250
Inventory - Surgical Supply	25
Inventory - Pharmacy	25
<b>HEALTH SYSTEM TOTAL</b>	<b>3,500</b>

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

2009-2010 Audit Schedule

INFORMATION TECHNOLOGY

DEPARTMENT/DIVISION	BUDGETED HOURS
Oracle/Peoplesoft (HS/ACAD)	244
Network/PBX (ACAD)	244
Windows (HS/ACAD)	244
Phantom Systems (HS/ACAD)	259
Outsourced Systems (HS/ACAD)	272
INFORMATION TECHNOLOGY TOTAL	1,263
UNIVERSITY, HEALTH SYSTEM & INFORMATION TECHNOLOGY TOTALS	9,886

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM

BOARD MEETING: June 11, 2009

COMMITTEE: Audit and Compliance

AGENDA ITEM: II. Summary of Findings

ACTION REQUIRED: None

BACKGROUND: Ms. Deily will present a summary of findings on the following audit report: Health System Follow-Ups. The summary does not require formal action, but is information of which the Board should be made aware.

AUDIT DEPARTMENT  
EXECUTIVE SUMMARY

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Medical Center Payroll

December 30, 2008

BACKGROUND

The Audit Department has completed a follow-up audit of the implementation of suggested actions noted in Health System audit reports and memoranda for which Medical Center management responded that corrective action had been taken between August 10, 2007, and August 8, 2008. Based upon the results of a risk analysis of 23 previously identified issues, 18 issues from the eight reports and memoranda were selected for additional review. Status updates from Medical Center management revealed that three issues (17%) had been appropriately addressed and management requested an extension of the estimated completion date for four issues (22%). Follow-up testing on three issues (17%) was either fully or partially postponed by the Audit Department, to be included as part of a planned, future audit. Therefore, follow-up testing during this audit was conducted on the remaining eight issues (44%).

AUDIT OBJECTIVES

The primary objectives of a follow-up audit are to ensure that the suggested actions are addressed on a timely basis and that the corrective action satisfactorily resolves the initial business issues communicated to management.

OPINION ON AUDIT OBJECTIVES

Based on follow-up testing results, it appears that all eight (100%) of the outstanding issues reviewed have been satisfactorily addressed by the Medical Center.

FINANCIAL IMPACT

Actions suggested by the Audit Department help to improve controls over the Medical Center's operations.