

June 11, 2009

MEMORANDUM

TO: The Audit and Compliance Committee:

Austin Ligon, Chair
Helen E. Dragas
Robert D. Hardie
Vincent J. Mastracco, Jr.
Don R. Pippin
Warren M. Thompson
W. Heywood Fralin, Ex Officio

and

The Remaining Members of the Board:

| | |
|------------------------------|---------------------------------|
| Daniel R. Abramson | Glynn D. Key |
| A. Macdonald Caputo | The Hon. Lewis F. Payne |
| The Hon. Alan A. Diamonstein | E. Darracott Vaughan, Jr., M.D. |
| Susan Y. Dorsey | John O. Wynne |
| Thomas F. Farrell, II | Rahul Gorawara |

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit and Compliance
Committee on June 11, 2009

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 3:00 p.m., on Thursday, June 11, 2009, in the Board Room of the Rotunda; Austin Ligon, Chair, presided.

Present were Ms. Helen E. Dragas, Robert D. Hardie, Vincent J. Mastracco, Jr., Don R. Pippin, Warren M. Thompson, and W. Heywood Fralin, Rector.

Also present were Daniel R. Abramson, The Honorable Alan A. Diamonstein, Thomas F. Farrell, II, The Honorable Lewis F. Payne, and Rahul Gorawara.

Present, too, were John T. Casteen III, Leonard W. Sandridge, Paul J. Forch, Arthur Garson, Jr., M.D., Ms. Barbara Deily, Ms. Susan A. Carkeek, Steven T. DeKosky, M.D., James L. Hilton, Ms. Patricia M. Lampkin, Ms. Yoke San L. Reynolds, David J. Prior, Ms. Susan G. Harris, Ms. Lori J. Strauss, and Ms. Jeanne Flippo Bailes.

The Chair asked Ms. Deily, Chief Audit Executive, to present the Agenda.

Approval of the Audit Schedule for Fiscal Year 2009-2010

Ms. Deily reviewed the audit schedule for 2009-2010. The Schedule is developed based on assessment of risk, and annually addresses the three missions of academics, research and the Hospital. Audit also looks at issues surfacing from previous audits and the external environment.

The Committee adopted the following resolution and recommended it to the full Board of Visitors for approval:

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.

2009-2010 Audit Schedule

UNIVERSITY

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

2009-2010 Audit Schedule

HEALTH SYSTEM

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

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 |

Executive Session

The Committee adopted the following motion and went into Executive Session at 3:10 p.m.:

That the Audit and Compliance Committee of the Board of Visitors convene in Closed Session with General Counsel to discuss the audit of University operations as it concerns the performance of specific University managers and personnel related to the handling of University funds and timely filing of payroll forms, and proprietary business related information pertaining to the operations of the University of Virginia Medical Center regarding billing reimbursements in specific departments where disclosure at this time would adversely affect the competitive position of the Medical Center, as permitted by Section 2.2-3711 (A) (1), (7), and (22) of the Code of Virginia.

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The Committee resumed its meeting in Open Session at 3:20 p.m., and adopted the following resolution certifying that its discussions in Executive Session had been held in accordance with the exemptions permitted 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.

Open Session

The Chair asked for a motion to approve the Corporate Compliance Project Schedule that was discussed in Executive Session. The resolution was adopted.

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On further motion, the Committee adjourned at 3:25 p.m.

SGH:lah

These minutes have been posted to the University of Virginia's Board of Visitors website.
<http://www.virginia.edu/bov/auditminutes.html>