

February 26, 2010

MEMORANDUM

TO: The Audit and Compliance Committee:

W. Heywood Fralin, Chair
Helen E. Dragas
Austin Ligon
Vincent J. Mastracco Jr.
Don R. Pippin
Warren M. Thompson
John O. Wynne, Ex Officio

and

The Remaining Members of the Board:

Daniel R. Abramson	Robert D. Hardie
A. Macdonald Caputo	Glynn D. Key
The Hon. Alan A. Diamonstein	Randal J. Kirk
Susan Y. Dorsey	The Hon. Lewis F. Payne
Rahul Gorawara	E. Darracott Vaughan Jr., M.D.

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit and Compliance
Committee on February 26, 2010

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 8:35 a.m., on Friday, February 26, 2010, in the Board Room of the Rotunda; W. Heywood Fralin, Chair, presided.

Present were Ms. Helen E. Dragas, Austin Ligon, Warren M. Thompson, and John O. Wynne.

Also present were A. Macdonald Caputo, The Honorable Alan A. Diamonstein, and The Honorable Lewis F. Payne.

Present, too, were Leonard W. Sandridge, Ms. Susan G. Harris, Ms. Susan A. Carkeek, Paul J. Forch, Ms. Barbara Deily, Arthur Garson Jr., M.D., James L. Hilton, R. Edward Howell, David J. Prior, Ms. Yoke San L.

Reynolds, Ms. Colette Sheehy, and Ms. Jeanne Flippo Bailes.

Also present was Stewart Ackerly, the Student Member-Elect of the Board of Visitors, and Walter Kucharski, the Auditor of Public Accounts of the Commonwealth.

The Chair turned the meeting over to Ms. Deily, Chief Audit Executive. The schedule of Audit projects was reported on briefly. The department is ahead of their goal of completing 33% of their projects as of December 31, by completing 43%.

Ms. Deily introduced the Auditor of Public Accounts of the Commonwealth, Mr. Walter Kucharski, and the members of his staff in attendance.

Mr. Kucharski reported that they rendered an "unqualified opinion" to the University. There was one compliance matter out of the College at Wise which was a timing issue. They have also addressed some control concerns about the University's financial statement process.

Mr. Sandridge responded that he concurred with the audit, and the issues brought to light will be addressed.

Executive Session

The Committee adopted the following motion and went into Executive Session at 8:45 a.m.:

That the Audit and Compliance Committee of the Board of Visitors go into Closed Session to discuss the audit of University operations as it concerns the performance of specific University managers and personnel, recommendations for improvement of security of institutional research facilities, and of School of Medicine grant administration, as well as billing for patient services where disclosure at this time would adversely affect the Medical Center's competitive position.

And furthermore, to also confer with the Auditor of Public Accounts on the performance of the University's internal auditors and University officers as permitted by Section 2.2-3711 (A) (1), (8), (19), and (22) of the Code of Virginia.

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The Committee resumed its meeting in Open Session at 8:55 a.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 Summary of Audit Findings that was discussed in Executive Session. The following resolution was adopted and recommended to the full Board of Visitors for approval:

APPROVAL OF THE SUMMARY OF AUDIT FINDINGS FOR THE PERIOD AUGUST 1, 2009 - DECEMBER 31, 2009

RESOLVED, the Summary of Audit Findings for the period August 1, 2009, through December 31, 2009, as presented by the Chief Audit Executive, is approved as recommended by the Audit and Compliance Committee.

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On further motion, the Committee adjourned at 9:00 a.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>