

November 15, 2010

MEMORANDUM

TO: The Audit and Compliance Committee:

The Hon. Alan A. Diamonstein, Chair
Hunter E. Craig
W. Heywood Fralin
Sheila C. Johnson
Glynn D. Key
Randal J. Kirk
Vincent J. Mastracco Jr.
John O. Wynne, Ex Officio

and

The Remaining Members of the Board:

A. Macdonald Caputo	Robert D. Hardie
Helen E. Dragas	Mark J. Kington
Susan Y. Dorsey	Austin Ligon
Marvin W. Gilliam Jr.	The Hon. Lewis F. Payne
	Stewart H. Ackerly

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit and Compliance
Committee on November 15, 2010

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 1:15 p.m., on Monday, November 15, 2010, in the Board Room of the Rotunda; The Honorable Alan A. Diamonstein, Chair, presided.

Present were Hunter E. Craig, W. Heywood Fralin, Ms. Sheila C. Johnson, Ms. Glynn D. Key, Randal J. Kirk, Vincent J. Mastracco Jr., and John O. Wynne.

Also present were A. Macdonald Caputo, Ms. Helen E. Dragas, Marvin W. Gilliam Jr., Robert D. Hardie, Mark J. Kington, Austin Ligon, The Honorable Lewis F. Payne, and Stewart H. Ackerly.

Present, too, were Ms. Teresa A. Sullivan, Leonard W. Sandridge, Ms. Susan G. Harris, Ms. Susan A. Carkeek, Steven T. DeKosky, M.D., Paul J. Forch, Arthur Garson Jr., M.D., James L. Hilton, R. Edward Howell, Ms. Patricia M. Lampkin, Marcus L. Martin, M.D., David J. Prior, Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, Thomas C. Skalak, Ms. Barbara J. Deily, Ms. Lori Strauss, Patrick Reed, and Ms. Jeanne Flippo Bailes.

The Chair introduced Ms. Barbara Deily, Chief Audit Executive. Ms. Deily submitted some changes to the Audit Charter for approval, which were recommended during the recent Quality Assessment of the department.

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

APPROVAL OF THE AUDIT CHARTER

RESOLVED, the Audit Charter, updated on November 15, 2010, is approved as recommended by the Audit and Compliance Committee.

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Ms. Deily introduced Lori Strauss, Chief Corporate Compliance and Privacy Officer, to highlight accomplishments of her office for the last fiscal year. Ms. Strauss said the Corporate Compliance and Privacy Office was able to complete 100% of the project schedule, achieve its full staffing complement, contribute to several special projects, consult on multiple inquiries, and offer education. One hundred and forty-one privacy investigations were completed, an increase of almost 61% compared to last fiscal year.

Ms. Deily summarized Audit Department accomplishments for 2009-10. She said the biggest accomplishment was to have the five-year quality assessment completed. She said they received the highest rating of "generally complies". Ms. Deily said the Audit Department achieved 100% of the adjusted schedule.

Ms. Deily discussed results of the review of the Internal Audit Department, and introduced Patrick Reed, who performed the quality assurance review. Mr. Reed's credentials include serving as president of the Association of College and University Auditors, and as University Auditor for the University of California System. He has performed peer reviews or assessments at a number of colleges and universities.

Mr. Reed acknowledged his colleagues on the assessment review, Steven Jung and Gale Klatt. They concluded that the University has a very highly respected Audit office. Some tweaking needs to be done to get the department into compliance with some recently enacted

standards. He said he understood that Ms. Deily is expected to get more involved in enterprise risk management (ERM) efforts at the University. He commended the Audit Department for developing a highly respected information technology audit program.

Executive Session

The Committee adopted the following motion and went into Executive Session at 1:45 p.m.:

That the Audit and Compliance Committee of the Board of Visitors go into Executive Session to discuss the audit of University operations as it concerns the performance of specific University managers and personnel, information contained in the academic records of specific students regarding scholastic achievement, enhancing security controls in our information technology facilities, as well as the adequacy of patient tracking and security procedures and controls where disclosure at this time would adversely affect the Medical Center's competitive position. And furthermore, to also confer with the Quality Assessment reviewer on the performance of the University's internal auditors as permitted by Section 2.2-3711 (A) (1), (2), (19), and (22) of the Code of Virginia.

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The Committee resumed its meeting in Open Session at 2:00 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 Summary of Audit Findings 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 APRIL 30, 2010, THROUGH SEPTEMBER 30, 2010

RESOLVED, the Summary of Audit Findings for the period April 30, 2010, through September 30, 2010, 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 2:05 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>