

June 10, 2011

MEMORANDUM

TO: The Audit and Compliance Committee:

The Hon. Alan A. Diamonstein, Chair  
Hunter E. Craig  
W. Heywood Fralin  
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
Jonathan B. Overdevest	

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit and Compliance  
Committee on June 10, 2011

The Audit and Compliance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 8:30 a.m., on Friday, June 10, 2011, in the Board Room of the Rotunda; The Honorable Alan A. Diamonstein, Chair, presided.

Present were Ms. Glynn D. Key, Vincent J. Mastracco Jr., and John O. Wynne.

Also present were A. Macdonald Caputo, Ms. Susan Y. Dorsey, Ms. Helen E. Dragas, Marvin W. Gilliam Jr., Robert D. Hardie, Mark J. Kington, Austin Ligon, The Honorable Lewis F. Payne, and Jonathan B. Overdevest.

Present, too, were Ms. Teresa A. Sullivan, Leonard W. Sandridge, Michael Strine, Ms. Susan G. Harris, Ms. Susan A. Carkeek, Paul J. Forch, J. Milton Adams, James L. Hilton, R. Edward Howell, Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, Ms. Barbara J. Deily, Ms. Lori Strauss, and Ms. Jeanne Flippo Bailes.

The Chair introduced Ms. Barbara Deily, Chief Audit Executive. Ms. Deily presented the proposed Audit Schedule for the 2011-12 Fiscal Year, which is attached, marked as Attachment A.

Ms. Deily introduced Ms. Strauss who presented the proposed corporate compliance project schedule for the 2011-2012 Fiscal Year, which is attached as Attachment B.

The Chair asked for a motion to approve both the audit schedule and the corporate compliance project schedule. The following resolutions were adopted and recommended to the full Board for approval:

APPROVAL OF THE AUDIT SCHEDULE FOR FISCAL YEAR 2011-2012

RESOLVED, the Audit Schedule for Fiscal Year 2011-2012 is approved as recommended by the Audit and Compliance Committee.

APPROVAL OF THE CORPORATE COMPLIANCE PROJECT SCHEDULE FOR FISCAL YEAR 2011-2012

RESOLVED, the Corporate Compliance Project Schedule for Fiscal Year 2011-2012 is approved as recommended by the Audit and Compliance Committee.

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Executive Session

The Committee adopted the following motion and went into Executive Session at 8:40 a.m.:

That the Audit and Compliance Committee of the Board of Visitors go into Executive Session to discuss audits of University operations as they concern the performance of specific University managers and personnel who are responsible for the handling of travel expenditures and of time and attendance transactions, as well as discussions relating to the appropriateness of expenditures to grants as permitted by Section 2.2-3711(A) (1), and (8) of the Code of Virginia.

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The Committee resumed its meeting in Open Session at 8:45 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 discussed in Executive Session. The following resolution was adopted and recommended to the full Board for approval:

APPROVAL OF THE SUMMARY OF AUDIT FINDINGS FOR THE PERIOD JANUARY 1, 2011 THROUGH APRIL 31, 2011

RESOLVED, the Summary of Audit Findings for the period January 1, 2011, through April 30, 2011, 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 8:45 a.m.

SGH

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

## 2011-2012 Audit Schedule

## UNIVERSITY

DEPARTMENT/DIVISION	BUDGETED HOURS
<b>ADMINISTRATIVE &amp; SUPPORT SERVICES</b>	
Darden School	400
Facilities Management Energy and Utilities	400
Athletics Business Office	300
Athletics Football Attendance	40
Development Office	400
Weldon Cooper Center	300
SOM Biomedical Engineering	300
SOM Biochemistry	300
<b>OTHER ACTIVITIES</b>	
Bookstore Inventory	100
Follow-up Audits	250
Research Compliance	400
Travel	300
<b>UNIVERSITY TOTAL</b>	<b>3,490</b>

## 2011-2012 Audit Schedule

## HEALTH SYSTEM

DEPARTMENT/DIVISION	BUDGETED HOURS
<b>PATIENT CARE ACTIVITIES</b>	
Epic - System Access & Records Management	420
Epic - Ancillary Systems Interface	300
Epic - Post Implementation Assessment	420
<b>SYSTEMS DEVELOPMENT</b>	
Electronic Reconciliation System Consulting/Development	160
<b>OTHER ACTIVITIES</b>	
ARMICS - Medical Center	125
Follow-Up Audit - Medical Center	250
Inventory - Pharmacy Services	75
Inventory - Surgical Supply	50
<b>HEALTH SYSTEM TOTAL</b>	<b>1,800</b>

## 2011-2012 Audit Schedule

## INFORMATION TECHNOLOGY

DEPARTMENT/DIVISION	BUDGETED HOURS
EPIC Internal Interfaces/HS)	410
Network Security (U/HS)	410
UNIX (U/HS)	525
UVA Wise	220
3-Year Follow Up	233
INFORMATION TECHNOLOGY TOTAL	1,798

## 2011-2012 Audit Schedule

## COMPLIANCE

DEPARTMENT/DIVISION	BUDGETED HOURS
Compliance Projects	1,000
Presidential Travel	200
Executive Turnover	480
ARMICS	300
COMPLIANCE TOTAL	1,980
UNIVERSITY, HEALTH SYSTEM, INFORMATION TECHNOLOGY AND COMPLIANCE TOTALS	9,068

UVA Health System  
Corporate Compliance and Privacy Office

Determination of Hours Available for 2011-2012  
Corporate Compliance and Privacy Projects

Fiscal Year 2011-2012	TOTAL
Total Hours Available	8,320
Less: Vacancies	0
Sub-Total	8,320
Professional Development	320
Leave and Holidays	1,173
Other Activities: Office and Personnel Administration	427
Hours Available for Corporate Compliance & Privacy Projects	6,400

Allocation of Hours Available for  
Corporate Compliance & Privacy Projects

Fiscal Year 2011-2012	Total
Hours Available for Corporate Compliance & Privacy Projects	6,400
Consulting	700
Developing and Conducting Training	1,000
Special Projects	1,100
Hours Available for Corporate Compliance & Privacy Scheduled Projects	3,600

Corporate Compliance & Privacy Projects  
Fiscal Year 2011-2012

Scheduled Projects	HOURS
Outpatient Department Coding, Billing, & Documentation	800
Privacy Monitoring and Auditing	1,600
Inpatient Medicare Severity Diagnosis Related Groups	1,200
Total	3,600