MEMORANDUM

TO: The Audit and Compliance Committee:

Frank E. Genovese, Chair
L.D. Britt, M.D.
Allison Cryor DiNardo
Barbara J. Fried
William H. Goodwin Jr.
Adelaide Wilcox King, Faculty Consulting Member
George Keith Martin, Ex Officio

and

The Remaining Members of the Board and Senior Advisor:

Frank B. Atkinson
Frank. M. Conner III
Helen E. Dragas
Kevin J. Fay
John A. Griffin
Victoria D. Harker

Bobbie G. Kilberg
Stephen P. Long, M.D.
John G. Macfarlane III
Edward D. Miller, M.D.
John L. Nau III
Margaret N. Gould
Leonard W. Sandridge Jr.

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Audit and Compliance Committee on September 12, 2014

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, September 12, 2014, in the Byrd Room of the Harrison Institute. Frank E. Genovese, Chair, presided.

Present were L.D. Britt, M.D., Allison Cryor DiNardo, Barbara J. Fried, and George Keith Martin.

Adelaide Wilcox King, Faculty Consulting Member, was also present.

Present, too, were Teresa A. Sullivan, Susan Carkeek, Barbara J. Deily, Susan G. Harris, Beth C. Hodsdon, Patrick D. Hogan, Craig K.

Mr. Genovese made opening remarks and introduced Ms. Lori Strauss, Chief Compliance Officer for the Medical Center. Ms. Strauss summarized the accomplishments of the Corporate Compliance and Privacy Office for fiscal year 2014 that were not previously reported. She said they completed 100% of the scheduled inpatient, outpatient, and procedure area coding, billing, and documentation reviews and privacy and monitoring projects plus several other projects despite having two vacancies during the fiscal year.

Ms. Strauss said she represented the Medical Center during a Medicare audit roundtable that was held in Washington with congressional staff from the House Energy and Commerce, House Ways and Means, and Senate Finance Committees. The discussion and feedback should help the government better understand the burdens that health care providers experience as a result of Medicare audits.

Audit Department Accomplishments and Summary of Findings

Ms. Barbara Deily, the Chief Audit Executive, gave some background about herself: she has worked for the Audit Department for over 31 years and has been in her current role for over 23 years.

She said the role of the Audit and Compliance Committee is to oversee financial accounting and reporting, to assess the performance of external and internal auditors, to review the scope of audit activities, and to evaluate the adequacy of internal accounting controls. These meetings are designed to help the Audit and Compliance Committee achieve those objectives.

The last year was successful for audit schedule completion. They set a goal of 90% and achieved 96%, and they completed 24 special projects. She said they also helped with some major institutional initiatives such as Organizational Excellence, and the Fine and Decorative Arts process simplification team. Employees served on key committees including the Policy Review Committee and Recon@UVA, the committee that oversees electronic reconciliation of all accounts.

Ms. Deily presented the public session audit reports. She said her office reviewed the President’s travel and entertainment expenses, which is an annual project done at the request of the President. All of the expenses tested were reasonable and were transacted in accordance with applicable policies.

Ms. Deily also mentioned an audit of information technology management at the Darden School. She said they concluded that improvement is necessary for policies related to access controls and human resources, strengthening management processes and training, and performing onboarding and off-boarding activities more consistently.
Executive Session

The following motion was read and approved, and the committee continued in closed session beginning at 8:40 a.m.:

That the Audit and Compliance Committee of the Board of Visitors go into Closed Session to discuss the audit reports and compliance reviews of University and Medical Center operations as they concern the evaluation of performance of specific University and Medical Center employees with regard to risk management and security practices, compliance with regulations and policies, personnel management processes, billing procedures and records access as permitted by Section 2.2-3711 (A) (1) and (19), and where, in the case of the Medical Center, disclosure at this time would adversely affect the Medical Center’s competitive position as permitted by Section 2.2-3711 (22) of the Code of Virginia.

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At 9:00 a.m. the committee concluded closed session and approved the following motion:

That we vote on and record our certification that, to the best of each Member’s knowledge only public business matters lawfully exempted from open meeting requirements and which were identified in the motion authorizing the closed session, were heard, discussed or considered in closed session.

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The committee approved a resolution on the summary of audit and compliance findings:

SUMMARY OF AUDIT AND COMPLIANCE FINDINGS

RESOLVED, the Summary of Audit Findings for the period May 1, 2014 through August 15, 2014, as presented by the Chief Audit Executive, and Compliance Projects for the period of January 1, 2014 through June 30, 2014, as presented by the Corporate Compliance Officer, is approved as recommended by the Audit and Compliance Committee.

On further motion, the committee adjourned at 9:05 a.m.

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