

January 29, 1999

MEMORANDUM

TO: The Audit Committee:

Elizabeth A. Twohy, Chair
Timothy B. Robertson
Benjamin P.A. Warthen
James C. Wheat, III
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

J. Michael Allen	Elsie Goodwyn Holland
Charles M. Caravati, Jr., M.D.	Terence P. Ross
Champ Clark	Albert H. Small
William G. Crutchfield, Jr.	Henry L. Valentine, II
William H. Goodwin, Jr.	Walter F. Walker
T. Keister Greer	Joseph E. Wolfe

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Audit Committee on
January 29, 1999

The Audit Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:30 a.m., Friday, January 29, 1999, in the East Oval Room of the Rotunda; Ms. Elizabeth A. Twohy, Chair, presided. Timothy B. Robertson, Benjamin P.A. Warthen, James C. Wheat, III, and John P. Ackerly, III, Rector, were present. Also present were Charles M. Caravati, Jr., Champ Clark, William G. Crutchfield, Jr., William H. Goodwin, Jr., T. Keister Greer, Mrs. Elsie Goodwyn Holland, Terence P. Ross, Albert H. Small, Henry L.

Valentine, II, Walter F. Walker, Joseph E. Wolfe, and J. Michael Allen; as well as Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Richard C. Kast, Ms. Barbara Deily, Robert W. Cantrell, Peter W. Low, Ms. Colette Capone, Ms. Polley Ann McClure, Gene D. Block, Terry Holland, L. Jay Lemons, Charles T. Gillet, Cole Hendrix, Walter J. Kucharski, Joseph Stepp, Gary Meyers, and Ms. Jeanne F. Bailes.

The Chair asked Ms. Deily, University Auditor, to present the Agenda. Ms. Deily introduced Mr. Walter Kucharski, Auditor of Public Accounts of the Commonwealth. Mr. Kucharski gave a report on the annual, regular, audit of the University.

Mr. Kucharski's Management Letter made two recommendations in the Academic Division: prepare an adequate disaster recovery plan and backup data for the Human Resources Department and improve storage conditions at the Bayly Art Museum. Mr. Charles Gillet, Assistant Vice President for Finance, responded and outlined steps being taken to respond to the recommendations of the Audit.

For the Medical Center, Mr. Kucharski's Management Letter contained several recommendations: improvement of the Information Security Plan, improving access controls and strengthening security over the PeopleSoft System. Mr. Cole Hendrix, Associate Vice President for Health Sciences, responded.

On motion, the Committee went into Executive Session at 9:45 a.m.

The following motion was adopted:

That the Audit Committee of the Board of Visitors of the University of Virginia go into Executive Session for the purpose of discussing and considering with General Counsel reports and recommendations of the University Auditor related to the recently completed performance evaluations of certain University departments and programs, as permitted by Section 2.1-344 (A) (1) and (7) of the Code of Virginia.

The Committee resumed in Open Session at 10:30 a.m. and, on further motion, adjourned.

AGG:lah

Copies to: Mr. John T. Casteen, III
Mr. Paul J. Forch
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. Peter W. Low
Mr. Leonard W. Sandridge, Jr.
Mr. Robert D. Sweeney
Mr. Ernest H. Ern
Mr. William W. Harmon
Ms. Colette Capone
Ms. Polley Ann McClure
Mr. Terry Holland
Mr. L. Jay Lemons
Ms. Louise Dudley
Ms. Barbara Deily