A meeting of the Audit Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, April 23, 2008 in room 427A Waterman Building.

MEMBERS PRESENT: Chair Edwin Amidon, Jr., Vice Chair Bill Botzow*, Sam Bain*, Jeffrey Davis*, Susan Hudson-Wilson* and Beth Rice

REPRESENTATIVES PRESENT: Staff Representative Renee Berteau and Alumni Representative Bill Cimonetti

MEMBER ABSENT: Trustees John Snow and Jeannette White and Student Representative (vacant), and Faculty Representative Bud Meyers

OTHER TRUSTEES PRESENT: Ian Boyce*, Frank Cioffi and Robert Cioffi*

PERSONS ALSO PARTICIPATING Vice President for Legal Affairs and General Counsel Francine Bazluxe, Chief of Staff Gary Derr, Vice President for Federal, State and Community Relations Karen Meyer, Vermont State Auditor Tom Salmon, Chief Assistant State Auditor Tanya Morehouse, and Brian Murphy, Esq., Dinse Knapp & McAndrew

*Via teleconference call

Chair Amidon called the meeting to order at 10:00 a.m. and reviewed the purpose of meeting. It has been established that appropriate authorization was not received regarding certain engagements with Huron Consulting for work relating to PeopleSoft implementation. As a result, the Executive Committee has asked for Audit Committee assistance in retaining qualified independent consultants to conduct an examination of the facts regarding this set of engagements and internal control issues. The Committee will thus shortly proceed into Executive Session to discuss contract negotiations, including the scope of the RFP and possible consultants.

Before entertaining a motion to enter into Executive Session, Chair Amidon invited comment and questions from representatives.

Staff Representative Renee Berteau expressed her personal interest in understanding the internal control policy and how the policy could have been overlooked. She acknowledged the implementation of PeopleSoft has been difficult and not without challenges as has been the case at other institutions. She further acknowledged that staff members worked very hard throughout the implementation process and that there has been a huge learning curve. She believes the transition to PeopleSoft was necessary and that the conversion has been substantially successful.
Ms. Berteau further stated she felt the timing of the announcement to the UVM community regarding the PeopleSoft and Internal Controls and the resignation of Vice President for Finance and Administration and Treasurer, J. Michael Gower was unfortunate and resulted in the appearance of all fault being assigned to Vice President Gower. She concluded by stating that she finds it disturbing to have this unfortunate situation made so public.

Board Chair Frank Cioffi thanked Ms. Berteau for her comments and stated that, because UVM is a public university, important campus developments and the processes by which issues will be addressed cannot be kept internal.

Alumni Representative William Cimonetti expressed his pleasure at having the opportunity to participate in the deliberations of the Audit Committee and inquired about the nature of the stated exemptions for executive session and the process for reporting on Executive Session discussions.

Chair Amidon invited General Counsel Bazluke to elaborate on the exemptions, invited attendees, and the process for Executive Session.

General Counsel Bazluke explained that, notwithstanding the value added by governance group representatives to the Board and its Committees, under public accesses laws only members of the body (Trustees) are entitled to be present during Executive Session, and that it is within the Chair’s discretion to invite the participation of other persons whose information is necessary for the body to consider the matter under review. She also stated that minutes are not required during Executive Session, and that minutes are not in fact taken in Board or Committee Executive Sessions. Finally, she indicated that action must be taken in open session.

With respect to the specific grounds for Executive Session, General Counsel Bazluke stated that the contracts exemption would apply to possible scope and terms of Requests for Proposals as well as specific potential contractees; the personnel action exemption would apply to discussion of assignments of specific financial operations personnel; and the Committee needed the advice of counsel on certain issues, including requirements associated with appointment of an Interim Treasurer.

State Auditor Tom Salmon supplemented the conversation by emphasizing the sensitivity of the initial discussions and suggested that Chief Assistant State Auditor Tanya Morehouse be invited to remain as the Committee would benefit from her skills and experience in working on RFP issues.

Mr. Cimonetti inquired whether the Committee would meet again in advance of the regular meeting for a public discussion and vote on proposed action.
Chair Amidon replied that depending on how fast the RFP drafting process moves along will determine whether the Committee will meet again prior to May 12 and affirmed that RFP the extent possible will be discussed and voted on in public session.

**Executive Session**

At 10:40 a.m. a motion was made, seconded and approved to go into executive session to consider contract negotiations, personnel, and to receive advice of counsel. In addition to Trustees, the following persons were invited to remain; Brian Murphy, Esq., Dinse, Knapp & McAndrew, Vice Presidents Karen Meyer and Francine Bazluke, Chief of Staff Gary Derr, State Auditor Tom Salmon, and Chief Assistant State Auditor Tanya Morehouse.

**Other Business**

The meeting was re-opened to the public at 11:52 a.m. Mr. Amidon thanked the State Auditor Tom Salmon and Assistant State Auditor Tanya Morehouse for their present and continuing assistance.

Mr. Amidon offered a resolution for approval:

RESOLVED, that the Committee approves appointment of a subcommittee to assist the Committee to advance an RFP process and identify qualified consultants, for services relating to examination of the facts regarding the Huron engagements and other financial internal control issues, the subcommittee to be comprised of Ed Amidon, Chair; Jeff Davis, Susan Hudson-Wilson, and Beth Rice.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

**Adjournment**

There being no further business, the meeting was adjourned at 11:54 a.m.

Respectfully submitted,

Edwin Amidon, Jr.
Chair