

**AUDIT COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Audit Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, November 3, 2025, at 10:00 a.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Shap Smith¹, Vice Chair Matt Devost¹, R. Stanton Dodge¹, Ed Pagano¹, Kristina Pisanelli¹, and Catherine Toll¹

MEMBERS ABSENT: Jodi Goldstein

REPRESENTATIVES PRESENT: Faculty Representative Barbara Arel, Staff Representative Mindy Bean, and Undergraduate Student Representative Abigail Brito Del Valle

REPRESENTATIVES ABSENT: Alumni Representative Sanjeev Yada, Graduate Student Representative (Vacant), and Vermont State Deputy Auditor Douglas Hoffer

PERSONS ALSO PARTICIPATING: President Marlene Tromp², Chief of Staff to the President Jonathan D'Amore, Vice President for Finance and Administration Alicia Estey, Interim Chief Audit Executive and Director of Compliance Services & Chief Privacy Officer Tessa Lucey, University Controller Lindsey Donovan, and Renee Bourget-Place, Marie Zimmerman³, and Matt Lyman of KPMG

¹Participated by remote conferencing.

²Participated by remote conferencing and joined the meeting at 10:20 a.m.

³Participated by remote conferencing and departed the meeting at 10:37 a.m.

Chair Shap Smith called the meeting to order at 10:05 a.m.

Approval of minutes

A motion was made, seconded, and voted to approve the September 15, 2025, meeting minutes.

Presentation of the fiscal year (FY) 2025 financial statements

Vice President for Finance and Administration Alicia Estey opened the presentation by expressing gratitude to University Controller Lindsey Donovan, Senior Financial

Reporting Analyst Renee Hunt, and the university's external audit firm, KPMG, for their work on the financial statement audit.

Before turning the presentation over to Mr. Donovan, Ms. Estey reminded the committee of the university's ongoing efforts to contain costs and improve efficiency through its Catamount Leap initiative.

Mr. Donovan then delivered a high-level overview of the draft annual financial report provided to the committee as a separate distribution.

KPMG report to the Audit Committee

Referring to Attachment 2 of the meeting materials, Lead Audit Engagement Partner Renee Bourget-Place began by thanking Lindsey Donovan and Renee Hunt for their support during the audit. She also acknowledged the university's continued responsiveness, preparedness, and transparency throughout the process.

Ms. Bourget-Place noted that Marie Zimmerman, who will assume the role of Lead Audit Engagement Partner for the FY 2026 audits, was actively involved in the FY 2025 audit. Her prior engagement will ensure a smooth and effective transition into the lead role.

KPMG plans to issue an unmodified audit opinion. There was one uncorrected misstatement, and no reportable matters involving internal control over financial reporting or compliance.

Ms. Bourget-Place walked through the required communications and Senior Audit Manager Matt Lyman reviewed the audit procedures.

To finish, Ms. Bourget-Place and Ms. Zimmerman noted KPMG's 2025 higher education industry update was included in materials and discussed emerging industry issues since their last industry update in April 2025.

Acceptance of the FY 2025 audited financial statements

Chair Smith presented the following resolution recommending the FY 2025 audited financial statements to the Board of Trustees for acceptance.

Acceptance of fiscal year 2025 audited financial statements

WHEREAS, the financial Statements of the University of Vermont and State

Agricultural College for the fiscal year ended June 30, 2025, have been audited by KPMG LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, the Audit Committee hereby accepts and recommends that the Board of Trustees accept the fiscal year 2025 audited financial statements.

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

Compliance annual update

Interim Chief Audit Executive and Director of Compliance Services & Chief Privacy Officer Tessa Lucey began by highlighting that the recent memo issued by the US Attorney General's Office clarified that higher education institutions and nonprofits are subject to the federal sentencing guidelines. Fortunately, the university's compliance program has long been structured around the seven elements of the Federal Sentencing Guidelines, positioning it well to meet the clarified expectations.

Referring to Attachment 4 of the meeting materials, Ms. Lucey outlined several key advancements from the past year. Enhancements were made to the Enterprise Risk Management (ERM) and privacy programs, alongside gains in research security, international programs, and conflict of interest risk reduction. A new initiative, "incubator projects," was launched to address high-risk operational areas. These projects involve developing workflows and tools in collaboration with operational units, with the goal of transitioning mature processes to management. The Visiting Scholars/Scientists program was the first to be completed.

Ms. Lucey also highlighted progress on the compliance annual workplan. The multi-year policy modernization initiative continues to advance, emphasizing clarity, accessibility, and inclusivity. To support this, the team tracks policy engagement metrics that inform risk assessments and strategic planning.

In closing, Ms. Lucey emphasized that the compliance, privacy, and ERM programs are designed to be dynamic and adaptable, supporting continuous improvement and cross-functional collaboration. These efforts ensure the university remains well-prepared to meet current and future regulatory challenges.

2026 draft internal audit and compliance work plans

Ms. Lucey presented the draft 2026 work plans for internal audit (attachment 5), and, compliance and privacy (attachment 6). She provided a brief overview of the risk-based methodology used to develop these plans, noting that updates may occur throughout the year as new priorities emerge.

Additionally, she explained that the search for a new Chief Internal Auditor (CIA) will begin this week. Once appointed, the incoming CIA may revise the work plan to reflect their strategic direction.

Review of the 2025 and 2026 Audit Committee work plans

Directing the committee to attachments 7 and 8 of the meeting materials, Ms. Lucey reviewed the 2025 and 2026 Audit Committee work plans. She pointed out adjustments that align the work plans with the new ERM reporting cadence. Aside from these changes, the work plans remain consistent with those from previous years.

Adjournment

There being no further business, the meeting was adjourned at 10:49 a.m.

Respectfully submitted,

Shap Smith, Chair