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, September 21, 2026, at 10:00 a.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Shap Smith[1], Vice Chair Matt Devost[2], R. Stanton Dodge[2], Ed Pagano[3], Kristina Pisanelli[2], and Catherine Toll[2]

MEMBERS ABSENT: Scott Beck

OTHER TRUSTEES PRESENT: Theresa Alberghini DiPalma[4]

REPRESENTATIVES PRESENT: Faculty Representative Barbara Arel, Staff Representative Mindy Bean[2], Undergraduate Student Representative Abigail Brito Del Valle, and Tim Ashe[5] on behalf of Representative Doug Hoffer of the State Auditor's Office

REPRESENTATIVES ABSENT: Graduate Student Representative Niharika Singh and Alumni Representative Sanjeev Yadav

PERSONS ALSO PARTICIPATING: President Marlene Tromp[2], Senior Vice President for Finance and Administration Alicia Estey, Vice President for Legal Affairs & General Counsel Sharon Reich Paulsen[2], Chief Information Officer Kellie Campbell, Chief Internal Auditor Sara Timmerman, Information Security Officer Scott Carbee, and Shelly Masi[2], Lisa Pagliaro[2], and Matt Lyman[2] of KPMG

[1] Joined via remote conferencing at 10:45 a.m.
[2] Joined via remote conferencing.
[3] Joined via remote conferencing at 10:39 a.m.
[4] Joined via remote conferencing and departed the meeting at 10:39 a.m.
[5] Joined via remote conferencing and departed the meeting at 10:22 a.m.

Vice Chair Matt Devost called the meeting to order at 10:03 a.m.

Approval of minutes

A motion was made, seconded, and voted to approve the April 13, 2026, meeting minutes.

Fiscal Year (FY) 2026 financial statement/uniform guidance audit status report

Shelly Masi began KPMG's presentation by introducing herself to the committee as the Lead Audit Engagement Partner for the FY 2026 audits. Referring to attachment 2 of the meeting materials, Engagement Managing Director Lisa Pagliaro then walked through KPMG's status update on the FY 2026 financial statement audit, the Uniform Guidance audit, and the information technology (IT) review. Ms. Pagliaro noted that KPMG has identified three major programs under the Uniform Guidance and is determining if there are any additional programs that need to be audited. At this stage, KPMG has no matters to report, and the engagement is progressing smoothly.

Internal audit update

Chief Internal Auditor Sara Timmerman offered a summary of her report, included as attachment 3 in the meeting materials. Since the February 2026 report to the committee, four audit reports have been finalized, resulting in 20 recommendations, including 18 significant and two essential recommendations. Audit activities continued to focus on information technology and performance reviews in accordance with the audit work plan. During the reporting period, 21 recommendations were closed, and four additional information technology-related recommendations were subsequently resolved.

Ms. Timmerman further reported that committee reporting will now focus on essential and significant recommendations. She noted that recommendations from the 2019 cybersecurity audit have been retired from follow-up reporting due to the commencement of a new enterprise-wide cybersecurity audit. She also highlighted the continued expansion of data analytics capabilities and acknowledged management's progress in implementing audit recommendations and supporting the audit process.

Report on expenses incurred by the University under the President's Official Residence university operating procedure

Referring to attachment 4 of the meeting materials, Ms. Timmerman provided the committee with an overview of FY 2026 presidential housing expenditures in accordance with the university operating procedure entitled "President's Official Residence." She explained that operating expenses for the residence were higher than expected in FY 2026. The increase was largely attributed to the transition of the residence in addition to higher physical plant and supply costs.

Review of Audit Committee charge and charter

Ms. Timmerman referred the committee to attachment 5, appendix A, for its routine review of the Audit Committee charge and charter. She presented proposed revisions to the Audit Committee charter to align with the Global Internal Audit Standards issued by the Institute of Internal Auditors in January 2025. The revisions would formalize the committee's responsibility to review the internal audit charter, require an annual confirmation from the Chief Internal Auditor regarding organizational independence and any impairments to independence or objectivity, and update quality assurance provisions to include review of internal and external assessment results. Ms. Timmerman noted that the changes primarily clarify and document existing practices and requirements under the updated standards. No changes were proposed to the Audit Committee charge.

Following Ms. Timmerman's review of the proposed revisions, Vice Chair Devost presented the following resolution for approval:

> **Resolution approving Audit Committee Charter revisions**
>
> WHEREAS, the Audit Committee annually reviews its Charge and Charter and Guidelines and recommends to the Board revisions thereto;
>
> BE IT RESOLVED, that the Audit Committee hereby approves the revisions to the Audit Committee Charter and Audit Committee Guidelines, as included in Appendix A, for recommendation to the Board.

Vice Chair Devost offered an opportunity for discussion. There being none, a motion was made, seconded and the resolution was approved as presented.

Internal audit charter review

Ms. Timmerman reported that the internal audit charter (attachment 6) was updated to align with the 2025 Global Internal Audit Standards. Key revisions include the addition of an internal audit mission statement, clarification of the Office of Internal Audit's authority and responsibilities, strengthened language regarding independence and unrestricted access, enhanced Audit Committee oversight responsibilities, and the addition of a formal quality assurance program. She noted that the changes reflect current professional standards and existing practices and do not materially change internal audit operations.

Chief Financial Officer report on presidential travel expenses

In accordance with the Audit Committee charter, Senior Vice President for Finance and Administration Alicia Estey presented a summary of President Marlene Tromp's FY 2026 travel expenses, included in the meeting materials as attachment 7. Ms. Estey reported that total travel expenses were $40,431.88 and did not include expenses associated with the UVM Foundation.

Ms. Estey recommended increasing the reporting threshold for presidential travel expenses from $25,000 to $50,000 to align with practices at peer institutions. Following discussion, the committee expressed support for the proposed change. A resolution to amend the reporting threshold will be presented at a future meeting after the President has had an opportunity to evaluate her travel plans.

Gramm-Leach-Bliley Act (GLBA)

Information Security Officer Scott Carbee presented highlights from the GLBA report, included as attachment 8 in the meeting materials. Mr. Carbee reported continued progress in addressing GLBA Safeguards Rule requirements, with ongoing efforts focused on access reviews and training, the secure enclave, third-party risk management, incident response, risk assessment, and staffing.

Over the past year, management's efforts have centered on transitioning security initiatives into routine operations, strengthening access review controls and documentation, enhancing third-party risk management practices, and improving incident response processes through documentation updates and tabletop exercises.

Looking ahead, Mr. Carbee explained that management will focus on maintaining and maturing existing controls through alignment with the Center for Internet Security (CIS) Controls framework. Additional priorities include strengthening information security governance, revitalizing the Information Security Council, and improving system lifecycle decision-making.

Executive Session

At 10:38 a.m., Vice Chair Matt Devost entertained a motion to enter into executive session for the purpose of discussing the appointment or employment or evaluation of a public officer or employee.

All in attendance were excused from the meeting, with the exception of Trustees, President Marlene Tromp, and Vice President of Legal Affairs, Sharon Reich Paulsen.

The meeting was re-opened to the public at 10:47 a.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Matt Devost, Vice Chair