

**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 7, 2022, at 10:00 a.m. in room 427A Waterman Building.

MEMBERS PRESENT: Chair Shap Smith, Vice Chair Jodi Goldstein¹, Otto Berkes², Kisha Kalra, Ed Pagano³, Kristina Pisanelli¹ and Catherine Toll⁴

MEMBERS ABSENT: None

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra⁵

REPRESENTATIVES PRESENT: Faculty Representative Barbara Arel⁶, Alumni Representative Susan Higgins¹, Student Representative Sam Wigon and Vermont State Deputy Auditor Tim Ashe¹ (on behalf of Vermont State Auditor Douglas Hoffer)

REPRESENTATIVES ABSENT: Staff Representative Mindy Bean and Graduate Student Representative (vacant)

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate, Chief Internal Auditor Bill Harrison, Vice President for Legal Affairs and General Counsel Trenten Klingerman, Chief Information Officer Simeon Ananou¹, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, Deputy Chief Information Officer Darcy Pientka¹, Information Security Officer Sam Hooker, and Renee Bourget-Place of KPMG

¹ Participated by phone.

² Participated by phone; joined at 10:19 a.m.

³ Participated by phone until 10:30 a.m.

⁴ Joined the meeting at 10:19 a.m.

⁵ Participated by phone; joined at 10:11 a.m.

⁶ Participated by phone until 10:40 a.m.

Chair Smith called the meeting to order at 10:05 a.m. He noted that Faculty Representative Barbara Arel's auditing class was joining the meeting to listen to KPMG's presentation.

Approval of minutes

A motion was made, seconded, and voted to approve the September 12, 2022, meeting minutes.

Presentation of the fiscal year (FY) 2022 financial statements

University Controller Claire Burlingham began by thanking her team for their hard work and for twelve straight years with a clean financial statement audit. Next, Ms. Burlingham offered a high-level overview of the annual financial report and was pleased to report that the audit resulted in no material weaknesses, significant deficiencies, or a management findings letter.

KPMG report to the Audit Committee

Lead Audit Engagement Partner Renee Bourget-Place began by explaining KPMG's expanded use of technology to conduct the audit. Moving on, Ms. Bourget-Place reviewed the results of the financial statement audit. KPMG plans to issue an unmodified audit opinion. There were no matters involving the internal control structure and its operations that they considered to be material weaknesses or significant deficiencies. Ms. Bourget-Place finished her presentation by walking through the audit areas of emphasis and required communications.

Acceptance of the FY 2022 audited financial statements

Chair Smith presented the following resolution recommending the FY 2022 audited financial statements to the Board of Trustees for acceptance.

Acceptance of fiscal year 2022 audited financial statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2022, 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 2022 audited financial statements.

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

Compliance annual update

Director of Compliance Services and Chief Privacy Officer Tessa Lucey began by explaining why the University has based its Compliance program on the Seven Elements of an Effective Compliance Program as outlined by the Federal Sentencing Guidelines and how the University is meeting the elements of an effective program.

Continuing on, Ms. Lucey provided a few highlights from her report. First, she reminded the committee that the University underwent a reorganization in the fall of 2021 which resulted in the Office of Compliance and Privacy Services moving from Internal Audit to the Division of Safety and Compliance. In addition to the restructuring, both public records response and the oversight of the Enterprise Risk Management (ERM) program shifted to the office.

Next, Ms. Lucey explained how the compliance office has been gradually reducing efforts on pandemic response and has begun to refocus on its work plan items. She offered an overview of work plan efforts in the areas on foreign influence, visiting scholars/scientists, conflicts of interest, compliance with new regulations related to protecting research data, and public records requests.

In conclusion, Ms. Lucey presented a summary of HelpLine benchmarking, data incidents, and Government reviews. Overall, the office continues to satisfy the seven elements of an effective compliance program while it continues to evolve and improve.

2023 draft internal audit and compliance work plans

Chief Internal Auditor Bill Harrison began by presenting the draft 2022 internal audit work plan. Mr. Harrison offered a brief overview of the methodology used to develop the risk-based work plan as well as the planned projects. He further explained that changes to the work plan are likely as new priorities are identified throughout the year.

In conclusion, Director of Compliance Services and Chief Privacy Officer Tessa Lucey presented the draft 2022 compliance and privacy work plan. She explained how her office has gradually shifted its efforts from pandemic response back to high-risk areas on the work plan.

Review the 2022 and 2023 Audit Committee work plans

Chief Internal Auditor Bill Harrison reviewed the 2022 and 2023 Audit Committee work plans. Starting with the 2022 plan, Mr. Harrison noted that there were no changes other than shifting work plan items to other meetings. For now, the 2023 plan mirrors the 2022 plan. Mr. Harrison will be tracking the ERM risk assessment process for any ERM risks or opportunities assigned to the committee.

Information security program update

Chief Information Officer Simeon Ananou and Information Security Officer Sam Hooker provided a high-level overview of the University's information security program and institution wide technical defenses. Mr. Ananou reviewed incident response, device and vulnerability management, third party technology purchasing management, and ongoing threat assessment and analysis. Mr. Ananou concluded his presentation by thanking his team for their hard work and efforts to protect the University.

Executive Session

At 11:10 a.m., Chair Smith entertained a motion to enter into executive session to receive advice from legal counsel. He indicated that the session was expected to last 15 minutes, with no action expected following.

All in attendance were excused from the meeting, with the exception of the Trustees, Vice President for Finance and Administration Richard Cate, Chief Internal Auditor William

Harrison, Vice President for Legal Affairs and General Counsel Trenten Klingerman and University Controller Claire Burlingham.

The meeting was re-opened to the public at 11:36 a.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Shap Smith, Chair