

**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 November 4, 2019, at 10:00 a.m. in room 427A Waterman Building.

MEMBERS PRESENT: Chair Bernard Juskiewicz, David Gringeri*, Curt McCormack, and Ed Pagano*

MEMBERS ABSENT: Vice Chair Shap Smith, David Aronoff, and Otto Berkes

REPRESENTATIVES PRESENT: Faculty Representative Barbara Arel, Staff Representative Mindy Kear, Graduate Student Representative Aayudh Das, and Student Representative Jared Percoco

REPRESENTATIVES ABSENT: Vermont State Auditor Douglas Hoffer and Alumni Representative (appointment pending)

PERSONS ALSO PARTICIPATING: President Suresh Garimella, Vice President for Finance and Treasurer Richard Cate, Chief Internal Auditor William Harrison, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, and Renee Bourget-Place and Sara Timmerman of KPMG

*Participated via phone.

Chair Bernard Juskiewicz called the meeting to order at 10:00 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the September 9, 2019, meeting minutes.

Presentation of the fiscal year (FY) 2019 financial statement audit and management letter and response

University Controller Claire Burlingham began by presenting the draft annual financial report and offered a brief overview of her Annual Financial Report FY 2019 Highlights presentation. She reviewed the required financial statement and supplemental information, the University's FY 2019 financial position, significant line items in the statements of net position and statements of revenues, expenses, and changes in net position, and the breakdown of FY 2019 revenues, expenses, and operating expenses.

Ms. Burlingham noted that the University's total liabilities decreased primarily because of Governmental Accounting Standards Board (GASB) statement number 75 - Accounting and

Financial Reporting for Postemployment Benefits Other than Pensions which requires the University to recognize its entire post-retirement employment benefits liability.

In conclusion, Ms. Burlingham 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 reviewing the results of the financial statement audit. KPMG noted no matters involving the internal control structure and its operations that they considered to be material weaknesses or significant deficiencies. One audit adjustment was corrected in the financial statements and there were no adjustments that management chose not to correct.

Next, KPMG Lead Audit Engagement Manager Sara Timmerman walked through the audit focus areas noting that there were no significant changes to the audit plan presented to the Committee in April.

In conclusion, Ms. Bourget-Place reviewed KPMG's required communications noting that there were no issues to report.

Acceptance of the FY 2019 audited financial statements

Chair Juskiewicz presented the following resolution recommending the FY 2019 audited financial statements to the Board of Trustees for acceptance.

Acceptance of fiscal year 2019 audited financial statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2019, 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 2019 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 offered a few highlights from her 2019 Annual Report. Ms. Lucey began by explaining that the University's Compliance Program is based on the Seven Elements of an Effective Compliance Program as outlined by the Federal Sentencing Guidelines.

Continuing on, Ms. Lucey offered an example of how the compliance program is breaking down silos and can help departments across the University work collaboratively across campus to bring similar efforts together to efficiently utilize University resources. She also reviewed Ethics and Compliance Reporting and Help Line statistics, compliance consultations, and work with the Chief Risk & Public Safety Officer on the required training project. In conclusion, she summarized enhancements to the University's policy management process.

2020 draft internal audit and compliance work plan

Chief Internal Auditor Bill Harrison presented the draft 2020 Audit and Compliance work plan. Mr. Harrison referred the Committee to the work plan, which provides a brief overview of the methodology used, the resources available to carry it out, and the specific projects to be carried out over the next year.

Audit Committee work plan review

Chief Internal Auditor Bill Harrison reviewed the 2019 and 2020 Audit Committee work plans. Starting with the 2019 plan, he noted that the Committee completed all of its planned work. Moving on to the 2020 plan, Mr. Harrison explained that the newest version of the Enterprise Risk Management Risk and Opportunity Portfolio would be presented at the January 30, 2020 meeting and that the work plan will be updated to reflect the risks and opportunities assigned to the Committee.

Adjournment

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Chair Bernard Juskiewicz