

**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 January 30, at 2:00 p.m. in the Livak Ballroom, Room 417-419 Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Bernard Juskiewicz, Vice Chair Shap Smith\*, David Aronoff, David Gringeri, and Curt McCormack\*

**MEMBERS ABSENT:** Otto Berkes, and Ed Pagano

**OTHER TRUSTEES PRESENT:** Board Chair David Daigle\*\*

**REPRESENTATIVES PRESENT:** Graduate Student Representative Aayudh Das, and Student Representative Jared Percoco

**REPRESENTATIVES ABSENT:** Faculty Representative Barbara Arel, Staff Representative Mindy Kear, Vermont State Auditor Douglas Hoffer and Alumni Representative (appointment pending)

**PERSONS ALSO PARTICIPATING:** President Suresh Garimella, Vice President for Finance and Treasurer Richard Cate, Vice President for Operations and Public Safety Gary Derr, Chief Internal Auditor William Harrison, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, Chief Risk & Public Safety Officer Al Turgeon, and Renee Bourget-Place and Sara Timmerman of KPMG

\*Participated via phone.

\*\* Joined the meeting at 2:20 p.m.

Chair Bernard Juskiewicz called the meeting to order at 2:00 p.m.

**Approval of minutes**

A motion was made, seconded and voted to approve the November 4, 2019, meeting minutes.

**Presentation of the fiscal year (FY) 2019 uniform administrative requirements, cost principles, and audit requirements for federal awards (Uniform Guidance)**

University Controller Claire Burlingham reported that the student financial aid cluster was the major federal program tested in FY 2019 and represented \$103,560,671 in federal expenditures. For the financial statements, the university received an unqualified opinion. For the report on internal control and compliance based on the audit of the financial statements, KPMG's opinion was unmodified with no material weaknesses. On the compliance and internal control at the

program level, there were no material weaknesses or significant deficiencies. Ms. Burlingham was pleased to report that the university continues to be a low risk auditee.

In conclusion, Renee Bourget-Place, of KPMG, discussed two new required audit procedures that included procedures around the Gramm-Leach-Bliley Act and the Direct Loan Quality Assurance program.

### **FY 2019 NCAA agreed-upon procedures report**

University Controller Claire Burlingham and Renee Bourget-Place, reported no significant adjustments were identified as a result of the procedures performed.

### **Internal audit update**

Chief Internal Auditor Bill Harrison offered an overview of internal audit activity as of December 31, 2019 and a summary of audit follow-up activity. He noted that the corrective action plans for the tractor and farm safety, and key and electronic access systems audits remained on track.

### **Annual compliance survey results**

Director of Compliance Services and Chief Privacy Officer Tessa Lucey presented a few highlights from the tenth annual compliance awareness survey. To begin, Ms. Lucey explained that the 2019 survey was the first to be sent to a statistically valid sample of participants. Next, she reported that the results indicate that the culture at the university continues to move in the right direction despite slight decreases in the awareness of the compliance office and confidence in non-retaliation. Finally, Ms. Lucey discussed communication efforts designed to advance a culture of compliance across campus.

### **Enterprise risk management (ERM) - risk and opportunity portfolio update**

Vice President for Operations and Public Safety Gary Derr introduced the ERM program and turned the presentation over to Chief Risk & Public Safety Officer Al Turgeon who provided an overview of the calendar year 2019 risk assessment results. Overall, the program continues to provide the board of trustees assurance that management is identifying and responding to the risks and opportunities that could impact the university's mission, vision, strategic goals, reputation and/or competitiveness.

Next, Mr. Turgeon described the risk assessment process and explained that the review process will be shifting from an annual to a biennial schedule. In 2020, the program will review best practices and consider automated options to help make the review process more efficient.

Mr. Turgeon concluded by summarizing the results depicted in the risk-opportunity portfolio-register heat map and presenting the reporting schedule of management response plan presentations by responsible officials to their assigned board of trustees' committee.

### **Report on the results of the 2019 Audit Committee assessment survey**

Chair Juskiewicz and Chief Internal Auditor Harrison presented an overview of the results of the 2019 survey, noting that overall, the survey participants agreed that the committee performs effectively. Mr. Harrison highlighted questions in the survey regarding (a) the financial knowledge necessary for committee members, (b) the committee orientation, and (c) benchmarking staffing and resources as well as assessing the effectiveness of the Office of Audit, Compliance, and Privacy Services.

### **Adjournment**

There being no further business, the meeting was adjourned at 2:50 p.m.

Respectfully submitted,

Chair Bernard Juskiewicz