

**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 13, 2021, at 10:00 a.m. in room 427A Waterman Building via remote conferencing.

MEMBERS PRESENT: Chair Shap Smith, David Aronoff, Otto Berkes, Berke Tinaz, and Catherine Toll

MEMBERS ABSENT: Vice Chair Jodi Goldstein and Ed Pagano

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra\* and Carol Ode

REPRESENTATIVES PRESENT: Staff Representative Mindy Kear, Alumni Representative Susan Higgins, and Vermont State Deputy Auditor Tim Ashe (on behalf of Vermont State Auditor Douglas Hoffer)

REPRESENTATIVES ABSENT: Faculty Representative Barbara Arel, Graduate Student Representative Alison Hall, and Student Representative Zyakkiriah Rhoden

PERSONS ALSO PARTICIPATING: President Suresh Garimella, Vice President for Finance and Administration Richard Cate, Chief Information Officer Simeon Ananou, Chief Internal Auditor Bill Harrison, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, and Renee Bourget-Place of KPMG

\* Participated from 10:10 a.m. to 10:30 a.m.

Chair Shap Smith called the meeting to order at 10:00 a.m. He began by welcoming new student representatives Alison Hall and Zyakkiriah Rhoden to the committee.

**Approval of minutes**

A motion was made, seconded and voted to approve the April 12, 2021, meeting minutes.

**Fiscal year (FY) 2021 financial statement/uniform guidance audit status report**

KPMG Lead Audit Engagement Partner Renee Bourget-Place and University Controller Claire Burlingham provided a brief status report on the FY 2021 financial statement and Uniform Guidance audits. Both audits are proceeding smoothly.

Next, Chief Information Officer Simeon Ananou and Ms. Bourget-Place reviewed KPMG's computer controls assessment and discussed KPMG's one observation related to Banner.

**Internal audit update**

Chief Internal Auditor Bill Harrison offered an overview of internal audit activity since his last report to the committee on November 9, 2020, and a summary of audit follow-up activity. Regarding audit follow-up, Mr. Harrison was pleased to report that all the Tractor and Farm Safety audit report recommendations had been closed and discussed the improvements that had been made because of the audit recommendations.

To finish, Director of Compliance Services and Chief Privacy Officer Tessa Lucey informed the committee of the recent process changes related to the University's conflict of interest and conflict of commitment disclosure process and that the University was transitioning to a new ethics and compliance reporting and help line vendor.

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

Chief Internal Auditor Bill Harrison provided the committee with a summary of FY 2021 presidential housing expenditures in accordance with the university operating procedure entitled "President's Official Residence." Mr. Harrison noted that the actual general maintenance and operating expenses were significantly under budget.

**Chief Financial Officer report on presidential travel expenses**

Vice President for Finance and Administration Richard Cate reported that President Suresh Garimella incurred no travel expenses during FY 2021 due to the COVID-19 pandemic.

**Review of Audit Committee charge and charter**

Chief Internal Auditor Bill Harrison directed the committee to the Audit Committee charge and charter for their cyclical review of these documents. Mr. Harrison provided an overview of his review process and, as a result of the review, did not recommend any changes.

**Amendment to the external audit contract fee schedule**

Chief Internal Auditor Bill Harrison and KPMG Lead Audit Engagement Partner Renee Bourget-Place explained that KPMG was required to audit an additional major program for the FY 2020 Uniform Guidance audit. The resolution presented to the committee covers the expense of the additional services performed as agreed to in University's contract with KPMG.

Following Mr. Harrison and KPMG's presentation, Chair Smith presented the following resolution for approval:

**Resolution authorizing amendment to the external audit contract fee schedule**

WHEREAS, at its February 2, 2017, meeting the Audit Committee authorized and recommended to the Board of Trustees to authorize the Vice President for Finance and Administration to enter into a contract to obtain external audit services to conduct the annual financial statement audit and other related audits of the University for five

consecutive years during the period January 1, 2017, through December 31, 2021, at a total contract price not to exceed \$1,745,000, with continuation of said contract subject to an annual performance review by the Audit Committee; and

WHEREAS, KPMG LLP has proposed an addendum to the fee schedule set forth in its proposal for services dated December 2, 2016, to conduct an audit of an additional major program as required for the mandatory annual Uniform Guidance audit for the fiscal year ending June 30, 2020; and

WHEREAS, Management has reviewed the proposed addendum to the fee schedule and recommends an adjustment to the fee schedule of \$20,000;

BE IT RESOLVED, the Committee authorizes the Committee Chair to amend the fee schedule set forth in KPMG LLP's proposal for services dated December 2, 2016, to conduct an audit of an additional major program for the mandatory annual Uniform Guidance audit for fiscal year ending June 30, 2020 in the amount of \$20,000.

A motion was made, seconded, and the resolution was approved unanimously as presented.

### **Executive Session**

At 10:30 a.m., Chair Smith 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 Suresh Garimella, and Special Assistant to the Chief of Staff Erin Dickinson.

### **Adjournment**

The meeting was re-opened to the public at 10:46 a.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Shap Smith, Chair