

**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 18, 2023, at 10:00 a.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Shap Smith¹, Vice Chair Jodi Goldstein¹, Otto Berkes¹, Kenny Nguyen¹, Kristina Pisanelli², and Catherine Toll¹

MEMBERS ABSENT: Ed Pagano

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra³

REPRESENTATIVES PRESENT: Staff Representative Mindy Bean¹, Alumni Representative Susan Higgins¹, Graduate Student Representative Vanessa Ballard, and Student Representative Matt Sorenson

REPRESENTATIVES ABSENT: Faculty Representative Barbara Arel and Vermont State Deputy Auditor Tim Ashe (on behalf of Vermont State Auditor Douglas Hoffer)

PERSONS ALSO PARTICIPATING: President Suresh Garimella¹, Vice President for Legal Affairs and General Counsel Trent Klingerman, Vice President for Finance and Administration Richard Cate, Chief Internal Auditor Bill Harrison, Trustee Coordinator Corinne Thompson, and David Gagnon¹, and Sara Timmerman of KPMG

¹ Participated by remote conferencing.

² Participated by remote conferencing and joined at 10:07 a.m.

³ Participated by remote conferencing and joined at 10:04 a.m.

Chair Shap Smith called the meeting to order at 10:00 a.m. He began by welcoming new graduate student representative Vanessa Ballard to the committee.

Approval of minutes

A motion was made, seconded, and voted to approve the April 10, 2023, meeting minutes.

Fiscal Year (FY) 2023 financial statement/uniform guidance audit status report

KPMG Lead Audit Engagement Partner David Gagnon and Senior Audit Manager Sara Timmerman began by referring the committee to attachment 2 of the meeting materials, and providing a status report on the FY 2023 financial statement and Uniform Guidance audits as well as their information technology (IT) review. As part of the financial statement audit, Mr. Gagnon explained the accounting for UVM's investment in Catamount Run Phase 1 housing development. Ms. Timmerman noted that KPMG has preliminarily identified three major

programs under the Uniform Guidance. Overall, KPMG's work is on track and proceeding smoothly.

Internal audit update

Chief Internal Auditor Bill Harrison highlighted two items in his report, included as attachment 3 of the meeting materials. First, Audit Services finalized its co-source internal audit services arrangement with Baker Tilly and has utilized their expertise to collaborate on two projects so far. Second, Mr. Harrison provided a brief audit recommendation status report.

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

Referring to Attachment 4 of the meeting materials, Chief Internal Auditor Bill Harrison provided the committee with a summary of FY 2023 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 under budget.

Chief Financial Officer report on presidential travel expenses

In accordance with the Audit Committee charter, Vice President for Finance and Administration Richard Cate provided the committee with a summary of President Suresh Garimella's FY 2023 University travel expenses, included as attachment 5 of the meeting materials. He verified that the expenses totaled \$5,600.81 and did not include travel expenses associated with the UVM Foundation.

Mr. Cate suggested that the committee consider a threshold for future reporting since the President's UVM-funded travel expenses are minimal.

Review of Audit Committee charge and charter

Chief Internal Auditor Bill Harrison directed the committee to the Audit Committee charge and charter, attachments 6 & 7 of the meeting materials, for their cyclical review of these documents. Mr. Harrison provided an overview of the review process and as a result of the review, he did not recommend any changes to the charge. He noted one housekeeping update on page 5 of the charter and guidelines.

Other business

Chief Internal Auditor Bill Harrison advised the committee that due to scope and timing of KPMG's IT review their update will be presented at the February meeting. Moving forward, this will be a permanent change to the audit committee work plan.

President Suresh Garimella called attention to the written enterprise risk management (ERM) update on information and cyber security included for informational purposes in the meeting materials.

Executive Session

At 10:30 a.m., Chair Shap 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 Trustee Coordinator Corinne Thompson.

Adjournment

The meeting was re-opened to the public at 10:41 a.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Shap Smith, Chair