

**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 6, 2023, at 10:00 a.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Shap Smith, Vice Chair Jodi Goldstein¹, Otto Berkes¹, Ed Pagano², Kristina Pisanelli¹, and Catherine Toll

MEMBERS ABSENT: Kenny Nguyen

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra³

REPRESENTATIVES PRESENT: Alumni Representative Susan Higgins¹, Graduate Student Representative Vanessa Ballard⁴, Student Representative Matt Sorenson, and Vermont State Deputy Auditor Tim Ashe¹ (on behalf of Vermont State Auditor Douglas Hoffer)

REPRESENTATIVES ABSENT: Faculty Representative Barbara Arel, and Staff Representative Mindy Bean

PERSONS ALSO PARTICIPATING: President Suresh Garimella¹, Vice President for Finance and Administration Richard Cate⁵, Chief Internal Auditor Bill Harrison, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, Director of Environmental Health & Safety Francis Churchill, Associate General Counsel Jennifer Papillo, Trustee Coordinator Corinne Thompson, and David Gagnon, and Sara Timmerman of KPMG

¹ Participated by remote conferencing.

² Participated by remote conferencing and departed the meeting at 10:42 a.m.

³ Participated by remote conferencing from 10:08 a.m. to 11:27 a.m.

⁴ Participated by remote conferencing and departed the meeting at 10:59 a.m.

⁵ Departed the meeting at 10:53 a.m.

Chair Shap Smith called the meeting to order at 10:00 a.m.

Approval of minutes

A motion was made, seconded, and voted to approve the September 18, 2023, meeting minutes.

Presentation of the fiscal year (FY) 2023 financial statements

University Controller Claire Burlingham began by thanking her team for their hard work and another successful audit. Ms. Burlingham expects the University to receive an unmodified audit opinion with no material weaknesses or significant deficiencies. Ms. Burlingham concluded her

presentation with a high-level overview of the annual financial report provided to the committee as a separate distribution.

KPMG report to the Audit Committee

Referring to attachment 2 of the meeting materials, Lead Audit Engagement Partner David Gagnon began reviewing the results of the financial statement audit. KPMG plans to issue an unmodified audit opinion. There were no uncorrected misstatements, or reportable matters involving internal control over financial reporting or compliance.

Next, Mr. Gagnon walked through the audit areas of emphasis and required communications. Senior Audit Manager Sara Timmerman reviewed significant risks and accounting estimates.

Lastly, Mr. Gagnon and Ms. Timmerman explained how KPMG is utilizing technology to improve their audit processes.

Acceptance of the FY 2023 audited financial statements

Chair Smith presented the following resolution recommending the FY 2023 audited financial statements to the Board of Trustees for acceptance.

Acceptance of fiscal year 2023 audited financial statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2023, 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 2023 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 that, as a best practice, the university benchmarks its compliance program against the Seven Elements of an Effective Compliance Program as outlined by the Federal Sentencing Guidelines to demonstrate the effectiveness of the program and to reduce the University's compliance risk.

Referring the committee to her report, attachment 4 of the meeting materials, Ms. Lucey explained that the Office has concluded its pandemic-related initiatives and has shifted its focus back to compliance programmatic work. She was pleased to report that the Office recently restructured an open position that will focus on institutional policies. This position was created to fill an identified need. This new position also helps mitigate the register-level Enterprise Risk Management (ERM) risk of "insufficient knowledge/understanding of policy expectations."

Continuing on, Ms. Lucey provided a few highlights from her report in the areas of regulatory changes, work plan status updates, consultations, and public records requests. She also 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.

In conclusion, Ms. Lucey thanked leadership for their commitment and contributions to the success of the University's compliance program.

2024 draft internal audit and compliance work plans

Chief Internal Auditor Bill Harrison, and Ms. Lucey presented their draft 2024 internal audit (attachment 5), and compliance and privacy (attachment 6) work plans. They offered a brief overview of the methodology used to develop their risk-based work plans as well as planned projects. Changes to the work plans are likely as new priorities are identified throughout the year.

Review of the 2023 and 2024 Audit Committee work plans

Directing the committee to attachments 7 and 8 of the meeting materials, Mr. Harrison reviewed the 2023 and 2024 Audit Committee work plans. Changes to the 2023 plan include the addition of the ERM risks assigned to the Audit Committee and the external auditors' performance review. KPMG's information technology (IT) review will, permanently, move to the February meeting.

Workplace Safety Culture (ERM Risk #9 Update)

Ms. Lucey offered a historical overview of the workplace safety culture risk (attachment 9). Director of Environmental Health & Safety Francis Churchill provided a summary of the work that has been done over the past year as well as current initiatives to improve the overall workplace safety culture at the university.

Other business

Following up on the September 18, 2023 meeting discussion regarding a threshold for reporting presidential travel expenses, Mr. Harrison recommended, and the committee endorsed, establishing a threshold of \$25,000 or greater for reporting presidential travel expenses.

Executive Session

At 11:13 a.m., Chair Smith entertained a motion to enter into executive session for the purpose of discussing confidential attorney-client communications, general public knowledge of which would clearly place the university at a substantial disadvantage.

For the first item, all in attendance were excused from the meeting, with the exception of Trustees, President Suresh Garimella, Chief Internal Auditor Bill Harrison, Director of

Compliance Services and Chief Privacy Officer Tessa Lucey, Director of Environmental Health & Safety Francis Churchill, Associate General Counsel Jennifer Papillo, and Trustee Coordinator Corinne Thompson.

Ms. Lucey and Director Churchill were excused from the second item.

The meeting was re-opened to the public at 11:32 a.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Shap Smith, Chair