

**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 Thursday, February 8, 2024, at 3:00 p.m. in the Livak Ballroom, Room 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Shap Smith, Vice Chair Jodi Goldstein¹, Otto Berkes, Kenny Nguyen, Kristina Pisanelli², and Catherine Toll

MEMBERS ABSENT: Ed Pagano

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra and Katelynn Briere

REPRESENTATIVES PRESENT: Faculty Representative Barbara Arel, Staff Representative Mindy Bean, Alumni Representative Susan Higgins², and Vermont State Deputy Auditor Tim Ashe² (on behalf of Vermont State Auditor Douglas Hoffer)

REPRESENTATIVES ABSENT: Graduate Student Representative Vanessa Ballard and Student Representative Matt Sorenson

PERSONS ALSO PARTICIPATING: President Suresh Garimella, Vice President for Finance & Administration Richard Cate, Vice President for Legal Affairs & General Counsel Trent Klingerman, Chief Internal Auditor Bill Harrison, University Controller Claire Burlingham, Director of Compliance Services and Chief Privacy Officer Tessa Lucey, Administrative Assistant Amy Vile and David Gagnon², and Sara Timmerman of KPMG

¹Joined the meeting at 3:08 p.m.

²Participated by phone.

Chair Shap Smith called the meeting to order at 3:05 p.m. He began by acknowledging Otto Berkes and Kenny Nguyen for their work on the committee as they finish their term on the Board of Trustees.

Approval of minutes

A motion was made, seconded, and voted to approve the November 6, 2023, meeting minutes.

Presentation of the Fiscal Year (FY) 2023 uniform administrative requirements, cost principles, and audit requirements for federal awards (Uniform Guidance)

University Controller Claire Burlingham and Senior Audit Manager Sara Timmerman reported that with respect to KPMG's report on internal control and compliance based on the Uniform Guidance, -KPMG's opinion was unmodified with no material weaknesses and no significant deficiencies. On compliance and internal control at the program level, there were no material weaknesses or significant deficiencies in internal control over compliance. UVM remains a low-risk auditee.

Next, Ms. Timmerman explained that the research and development cluster, Medicaid cluster, and the Department of Education fund for improvement of postsecondary education were the major federal programs tested in FY 2023.

To finish, Lead Audit Engagement Partner David Gagnon offered an overview of the Department of Education's related-party disclosure requirements and how they may impact the university.

FY 2023 NCAA agreed-upon procedures

Claire Burlingham and Sara Timmerman reported that as it relates to the agreed upon procedures, there were no significant findings or adjustments identified.

Presentation of FY 2023 IT observations

Sara Timmerman reviewed KPMG's information technology controls assessment and discussed one observation and recommendation related to PeopleSoft. Furthermore, Claire Burlingham offered an overview of management's corrective actions. In conclusion, President Suresh Garimella commented on how Enterprise Technology Services (ETS) and Human Resource Services (HRS) were working together to prioritize and strengthen access control.

Internal audit update

Chief Internal Auditor Bill Harrison offered an overview of internal audit and follow-up activity since his last report to the committee on September 18, 2023. Mr. Harrison noted that a planned financial audit of an international sponsored project has been removed from the work plan because the sponsor has removed the audit requirement from the grant agreement.

Compliance annual survey results

Director of Compliance Services and Chief Privacy Officer Tessa Lucey presented the results of the fourteenth annual compliance awareness survey. Ms. Lucey explained that the survey provides an opportunity to demonstrate that the university's compliance program is operating effectively. Despite seeing a slight reduction in awareness and culture scores over the 2022 results, the overall awareness and culture scores continue to affirm the efficacy of the program. The results show there is strong awareness and a solid culture of compliance across the university.

Presentation of the results of the biennial Enterprise Risk Management (ERM) assessment

Tessa Lucey began by offering an overview of the ERM risk assessment biennial cycle. Every two years, a comprehensive assessment is conducted, complemented by a survey in the intervening year. In calendar year 2023, the university completed its first off-year survey.

Ms. Lucey explained that based on the survey results there were two changes to the Heat Map related to discrimination and bias, and research data.

Executive Session

At 3:50 p.m., Chair Smith entertained a motion to enter into executive session for the purpose of discussing contracts, general public knowledge of which would clearly place the university at a substantial disadvantage.

All in attendance were excused from the meeting, with the exception of Trustees, President Suresh Garimella, Vice President for Finance & Administration Richard Cate, Vice President for Legal Affairs & General Counsel Trent Klingerman, Chief Internal Auditor Bill Harrison, University Controller Claire Burlingham, and Administrative Assistant Amy Vile.

The meeting was re-opened to the public at 3:56 p.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Shap Smith, Chair