

**THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES**

**MINUTES OF THE AUDIT COMMITTEE**

**August 12, 2013  
Nashville, Tennessee**

The Audit Committee of the Board of Trustees of The University of Tennessee met at 10:00 a.m., CDT, August 12, 2013, in the offices of Bradley Arant Boult Cummings in Nashville, Tennessee.

**I. CALL TO ORDER**

Mr. D. Crawford Gallimore, Chair, called the meeting to order.

**II. ROLL CALL**

Ms. Sandy S. Jansen, Executive Director, called the roll, and the following Audit Committee members were present:

Mr. D. Crawford Gallimore  
Mr. Waymon Hickman, external member  
Mr. Tommy Whittaker

Special meeting requirements were reviewed since Trustee Ferguson (ex-officio member) participated by phone.

Ms. Jansen announced the presence of a quorum of the committee. Other members of the administrative staff were also present.

**III. APPROVAL OF MINUTES FROM LAST MEETING**

Chair Gallimore asked for any corrections to the May 13, 2013, minutes. One minor change of spelling was noted. Mr. Hickman moved approval of the minutes with the correction. Trustee Whittaker seconded the motion, and it carried unanimously.

#### IV. ACADEMIC ADVISING

Mr. Doug Hawks, Senior Auditor in Audit and Consulting Services, presented the results of the academic advising audits (Exhibit 1). Dr. Ruth Darling, Assistant Provost for Student Success at the University of Tennessee, Knoxville (UTK), was also present to provide information on academic advising. Several items were discussed during the presentation.

Trustee Murphy inquired about tracking students with academic challenges. Dr. Darling indicated that each college at UTK can mandate additional requirements for students to meet with advisors. For example, the College of Business requires students to meet with advisors every term. The University is headed toward more tracking and assessment with Grades First, a new information technology solution being implemented to track students. Mr. Hawks added that the Center for Advisement and Student Success at the University of Tennessee at Chattanooga (UTC) has instituted advising requirements providing more contact to increase retention and graduation.

Mr. Hickman asked how professional advisors become qualified to be professional advisors. Dr. Darling responded that, at UTK, there are specific human resources guidelines, qualifications, and credentials the professional advisors are required to have. Advisors must have knowledge of student learning and development. Advising has become a profession with professional standards.

Chair Gallimore asked whether there was a way to track the success rate of the advisors, such as graduation rates of advisees, so that the University can identify who is having the highest success rate. Mr. Hawks commented that assessment and evaluation are important and that data is not easily accessible. It is not easy to gather data, but the University should work toward more assessment and evaluation. Dr. Darling cautioned tying advising directly to graduation rates. There are many reasons why students do not graduate. The reason may not be tied to advising. Students could be failing courses or not attending class. She agreed that it is important for advisors to be assessed and be held to outcomes, just as students are held to outcomes. Chair Gallimore agreed that graduation may not be the best criterion but indicated there should be a measure for performance.

Trustee Whittaker inquired whether it was an easy process for students to change advisors. Dr. Darling commented that the process was easy. Students go to the departmental office or to the college advising center and request a change.

Chair Gallimore asked if it was widespread knowledge among the students that they can change advisors. Dr. Darling indicated it was clearly stated in all of the publications, websites, and catalogs.

Chair Gallimore inquired about training and evaluation tools. Dr. Darling shared that the National Academic Advising Association has a number of tools available and that UTK uses the tools.

Trustee Murphy inquired whether all the campuses would benefit from information technology solutions similar to the system UTK implemented. Mr. Hawks responded that UTC and the University of Tennessee at Martin (UTM) would benefit from similar systems; however, UTM does a good job with what they have, with the relationship between the faculty and students. The campuses plan to discuss this topic at the advising summit in September.

#### V. INSTITUTIONAL COMPLIANCE UPDATE

Mr. Bill Moles, Director of Institutional Compliance, provided an update. He reported several developments for the Institute of Agriculture. Compliance Officers for all the units have been identified. Training and the risk assessment data collection process began in July. The Associate Dean of Research has been assigned to chair the compliance committee. The preliminary plans of action have been completed for the Health Science Center, which is in the process of appointing someone with general institutional compliance oversight responsibilities. In addition, the compliance chair at UTK has been working with vice chancellors on the 40 plans developed to address compliance risks.

Chair Gallimore asked for an update on the meetings conducted on campuses regarding compliance. Ms. Jansen responded that she and Mr. Moles have been working at UTM to begin rolling out the compliance risk assessment in 2014. She explained that they provided the campus administrators information so they would know what to expect and better understand the coordination needed. One of the benefits of the conversations is that the campuses have a better understanding of the various regulations in the compliance universe. This work assists the campuses in identifying gaps in responsibilities and compliance risks. Mr. Moles agreed that assigning ownership and accountability of the regulatory areas is an early part of the process. He also indicated that the University's compliance methodology has been refined and that the Office of Institutional Compliance should be able to perform a risk assessment in Martin during 2014, with Chattanooga soon after.

## VI. 2013 AUDIT PLAN UPDATE

Ms. Jansen presented the 2013 audit plan (Exhibit 2) and provided an update of the work being conducted by BerryDunn. The BerryDunn team met with the information security officers earlier in the summer, and the officers are supplying various pieces of information the team needs to begin work. The team will be onsite at the UT campuses and institutes in September and in October. The report will be delivered to the Audit Committee at the December 18, 2013, meeting.

Trustee Ferguson inquired about the completion of the audit plan and whether it would be complete by the end of the year. Ms. Jansen responded that the audit plan would not be complete and explained that it is developed at the beginning of the year with estimates. The plan is adjusted throughout the year as projects are added and cancelled because of changing risks. As such, several projects were added and projects will be cancelled to accommodate the new work. The monthly reports will continue to provide committee members information on the audit plan.

Ms. Jansen also commented on the endowment compliance audit at UTK. She indicated there had been questions at a Board meeting last year concerning endowment compliance and encouraged the Audit Committee members to review the report in the monthly reports for a better understanding of oversight provided.

Mr. Hickman asked if the focus was on ensuring the expenditure aligned with how the donor wanted the money to be used and what type of investment was used. Ms. Jansen responded that the scope was to determine whether funds were used in accordance with donor intent. She added that the focus for the UTK project was on scholarships. Since UTK has been proactive in the last couple of years to review for compliance with other types of endowment earnings, the audit team worked with the Vice Chancellor for Administration and Finance to focus on areas where the team could add additional value.

## VII. TRAVEL EXCEPTION REPORT

Ms. Jansen presented the travel exception report (Exhibit 3) and discussed the three exceptions noted.

### VIII. HOUSING EXCEPTION REPORT

Ms. Jansen presented the housing exception report (Exhibit 4), noting no exceptions. Trustee Ferguson inquired about the exception reports for housing and expenditures and sought clarification that there was nothing objectionable. Chair Gallimore confirmed that nothing was objectionable.

### IX. OTHER BUSINESS

The Chair called for any other business to come before the Audit Committee. There was none.

### X. ADJOURNMENT

There being no further business to come before the Audit Committee in public session, the meeting was adjourned.

Respectfully Submitted,



Sandy S. Jansen  
Executive Director  
Audit and Consulting Services