

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE

March 22, 2018
Memphis, Tennessee

The Audit and Compliance Committee of the University of Tennessee Board of Trustees met at 3:45 p.m. CST on March 22, 2018, in O.D. Larry Dining Hall in the Student-Alumni Center on the University of Tennessee Health Science Center campus in Memphis, Tennessee.

I. CALL TO ORDER

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

II. ROLL CALL

Ms. Sandy S. Jansen, Chief Audit and Compliance Officer, called the roll, and the following Audit and Compliance Committee members were present:

Mr. D. Crawford Gallimore
Mr. Raja Jubran
Mr. Brad Lampley
Ms. Sharon Pryse

Ms. Jansen announced the presence of a quorum of the Committee. Other trustees and members of the UT administrative staff were also present.

III. APPROVAL OF MINUTES FROM LAST MEETING

Chair Gallimore asked for any corrections to the November 29, 2017, minutes. Hearing none, Trustee Jubran moved approval of the minutes as presented and Trustee Pryse seconded. The motion carried unanimously.

IV. OFFICE OF AUDIT AND COMPLIANCE BUDGET

In accordance with the Audit and Compliance Committee charter, Ms. Jansen presented the Office of Audit and Compliance (OAC) budget (Exhibit 1). In 2018, salaries, excluding benefits, make up 92 percent of the OAC budget. Over the last

five years, the primary reasons for salary budget increases have been the transition of two information technology security professionals from the UT System Information Security Office to OAC in 2015 and the addition of the Title IX function in 2018. Additional increases of approximately 3.5 percent annually are because of market and merit increases as outlined in UT's annual salary plan and staff increases because of obtaining certifications.

The base operating budget was increased in 2017 from \$132,020 to \$158,053 to support the additional IT team members who transitioned to OAC. Additionally, OAC received a one-time budget allowance of \$65,000 in 2017 for the initial purchase of and training for a data analytics application.

Ms. Jansen also commented on budget focus areas for the upcoming year. OAC is implementing an automated procurement card monitoring solution, currently being tested. Additionally, the OAC editor is retiring this year, and the position will be utilized to fund an audit position. Finally, the institutional compliance program will undergo an assessment in late 2018 to assist with program effectiveness across the UT System.

V. RECESS TO NON-PUBLIC EXECUTIVE SESSION

Chair Gallimore recessed the meeting to a non-public executive session.

VI. RECONVENING OF PUBLIC SESSION AND ROLL CALL

Chair Gallimore called the public session to order. Ms. Jansen called the roll, and the following Audit and Compliance Committee members were present:

Mr. D. Crawford Gallimore
Mr. Raja Jubran
Mr. Brad Lampley
Ms. Sharon Pryse

Ms. Jansen announced the presence of a quorum of the Committee. Other trustees and members of the UT administrative staff were also present.

VII. RECOMMENDATION ON SETTLEMENT OF CLAIM/POTENTIAL LITIGATION

Chair Gallimore recognized Mr. Matthew Scoggins, General Counsel, to present a recommendation and resolution for consideration (Exhibit 2).

Chair Gallimore asked for a motion to approve the resolution. Trustee Pryse moved approval of the resolution as presented and Trustee Jubran seconded. The motion carried unanimously.


VIII. OTHER BUSINESS

There was no other business brought to the Committee Chair's attention before the meeting.

IX. ADJOURNMENT

There being no further business to come before the Audit and Compliance Committee, the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Sandy S. Jansen". The signature is written in black ink and is positioned above the printed name and title.

Sandy S. Jansen
Chief Audit and Compliance Officer
Office of Audit and Compliance