

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE

November 29, 2017
Nashville, Tennessee

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 1:00 p.m. CST on November 29, 2017, in the offices of Adams & Reese in Nashville, 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. Waymon Hickman, external member
Mr. Raja Jubran
Mr. Brad Lampley
Ms. Sharon Pryse
Mr. Tommy Whittaker

Ms. Jansen announced the presence of a quorum of the committee. Trustee Sharon Pryse participated by phone. No one else was present in her location. Ms. Jansen announced those present at the meeting location, including members of the administrative staff, chief business officers, chief information officers, and internal audit staff from the Tennessee Board of Regents.

III. APPROVAL OF MINUTES FROM LAST MEETING

Chair Gallimore asked for any corrections to the May 3, 2017, minutes. Hearing none, Trustee Whittaker moved approval of the minutes as presented and Trustee Pryse seconded. There was a roll-call vote and the motion carried unanimously.

IV. UNIVERSITY'S RISK ASSESSMENT

Ms. Judith Burns, Associate Director of the Office of Audit and Compliance, presented an overview of the University of Tennessee's enterprise risk management framework and the results of the risk assessment (Exhibit 1).

Trustee Gallimore asked about the next level of significant risk that did not make the list. Ms. Burns explained that all of the identified risks fit into one of the general categories included. She stated the purpose of risk management is to provide a tool so University leadership can make better decisions when managing uncertainty. Uncertainty can include both opportunities and negative impacts. While steps were being taken to address these issues, enterprise risk management provides a structured process to review and manage the risks holistically. Mr. Hickman asked if the enterprise risk management framework would result in better decision making. Ms. Burns responded that the University had not completed implementation, so it was still to be determined. She added that the true indicator of its value would be if risk management processes result in different actions.

V. INSTITUTIONAL COMPLIANCE

Dr. Ashley Blamey, Interim UT System Title IX Coordinator, provided Title IX training to the Committee and a status report on the Title IX Commission's recommendations (Exhibit 2).

Trustee Gallimore asked for clarification on the difference between the prevalence rate and the incident rate. Dr. Blamey explained that the prevalence rate is the expected rate of occurrence based on a campus population using estimated percentages from the most conservative research studies. The incident rate is the actual number of assaults reported at a campus. The difference between the two is large because of reluctance to report.

Trustee Pryse questioned whether the number of reported incidents is expected to rise over the next few years. Dr. Blamey responded that reported incidents are expected to rise because of awareness and education.

Trustee Lampley inquired about the type of assault included in the reports. Dr. Blamey explained the spectrum of behavior that constitutes assault.

Mr. Gallimore inquired about the guidance provided for incoming freshmen. Dr. Blamey explained the training model at UT Knoxville, including required training and other presentations.

Trustee Jubran questioned whether the Committee could do anything to improve what is already being done. Dr. Blamey responded that awareness and tone at the top are important. She added that the program needs time to develop.

VI. 2018 AUDIT PLAN AND COMPLIANCE WORK PLAN

Ms. Jansen presented the Office of Audit and Compliance annual plan for 2018 (Exhibit 3). Trustee Pryse moved approval of the 2018 audit plan and the 2018 compliance work plan. Trustee Lampley seconded. There was a roll call vote and the motion carried unanimously.

VII. AUDIT AND COMPLIANCE STAFFING

Ms. Jansen presented information on audit and compliance staffing, noting open positions to be filled. Trustee Jubran asked why the information technology auditor left. Ms. Jansen explained that it was for a better position at another company. There was discussion on the mix of salary and benefits offered by the University. Many people are pleased with the mix of salary and benefits, while others are looking for higher salaries.

Trustee Pryse inquired about the annual leave provided to University employees. Ms. Jansen and Mr. Les Mathews, Chief Information Officer, explained that exempt employees accrue 24 days a year. Non-exempt employees begin with 8 hours of leave per month. The hours increase over time. Trustee Jubran commented that benefits should be considered in any salary comparisons, and Mr. David Miller, Chief Financial Officer, commented that benefits are comparable to other institutions of higher education.

VIII. OUTSTANDING AUDIT ISSUES

Ms. Jansen submitted a written report of outstanding audit issues (Exhibit 4) for Committee review.

IX. 2017 AUDIT PLAN UPDATE

Ms. Jansen submitted written report on the status of the 2017 audit plan (Exhibit 5) for Committee review.

X. INSTITUTIONAL COMPLIANCE OVERVIEW

Ms. Jansen submitted a written executive summary on institutional compliance (Exhibit 6) for Committee review.

XI. DISCRETIONARY SPENDING REPORT

In accordance with state statute and University policy, Mr. Miller submitted a written report of the annual discretionary expenditures (Exhibit 7).

XII. TRAVEL EXCEPTION REPORT

Mr. Miller submitted a written report of travel exceptions (Exhibit 8). Three exceptions were noted.

XIII. OTHER BUSINESS

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

XIV. ADJOURNMENT

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

Respectfully Submitted,


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