



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE October 28, 2022

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 8:00 a.m. (CDT) on Friday, October 28, 2022. The meeting was held in the Duncan Ballroom of the Boling University Center located at the University of Tennessee at Martin, in Martin, Tennessee.

Committee Members Present: Decosta E. Jenkins, Committee Chair; John C. Compton, Board Chair; and Bradford D. Box.

Others in Attendance:

Trustees: Hayden Galloway (Student Trustee); Charles Hatcher, Commissioner, Tennessee Department of Agriculture; Shanea A. McKinney; Christopher L. Patterson; William (Bill) C. Rhodes III; Donald J. Smith; David N. Watson; and Jamie R. Woodson.

University Administration: President Randy Boyd; Brian Daniels, Chief Audit and Compliance Officer; David Miller, Senior Vice President and Chief Financial Officer; Cynthia Moore, Board Secretary and Special Counsel; C. Ryan Stinnett, General Counsel; Chancellor Peter Buckley (UT Health Science Center); Chancellor Keith Carver (UT Martin); Interim Chancellor Linda C. Martin (UT Southern); and Chancellor Donde Plowman (UT Knoxville). In addition, other members of the University staff were present.

Ms. Moore announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

Opening Remarks of the Chairperson

Committee Chair Jenkins welcomed everyone to the meeting. He expressed his gratitude to Trustee Amy Miles for the work she did to lead the Audit and Compliance Committee over the past few years and thanked Board Chair John Compton and other members of the Committee for entrusting him to serve as Chair of the Committee.

Approval of the Minutes

Committee Chair Jenkins noted that the minutes of the June 23, 2022, meeting were included in the meeting materials (Tab 1). He asked for any corrections to the minutes. Hearing none, the minutes were approved.

Business Continuity Planning Engagement Update

Brian Daniels, Chief Audit and Compliance Officer, called upon Ramon Padilla Jr., Chief Information Officer, to provide the Committee with an update on business continuity planning engagement (Tab 2). Mr. Padilla began his presentation by explaining that business continuity planning is the process of understanding potential threats to normal operations and creating a program whereby leadership can react quickly to any interruptions in order to keep operations running. An important part of business continuity planning also involves prioritization of those operations and services which must be immediately put back online. Examples of business interruptions include the COVID-19 pandemic, natural disasters, and ransomware attacks.

Mr. Padilla reported that the University conducted a request for proposals and has engaged B. Riley Advisory Services. The engagement - which will be done over the course of approximately six months will include: (a) risk assessment; (ii) business impact analysis; and (iii) service availability strategy. Mr. Padilla explained that, through the assistance of the consultant to undertake this review on behalf of the UT System Administration and UT Knoxville, the University will be better positioned to assess and update the business continuity plans for all of its campuses and institutions.

In response to a question raised by Committee Chair Jenkins, Board Secretary Cynthia Moore confirmed that the details of business continuity plans are confidential and would be presented to the Committee in a non-public, executive session as permitted by state law.

Campus Annual Safety Report Update

UT System Emergency Management Annual Report (FY 2021-22)

Michael Gregory, Director of Special Events and Emergency Management Services, shared with the members of the Committee a copy of the UT System Emergency Management Annual Report for fiscal year 2021-22. The report provides an overview of certain emergency events, training exercises, achievements during the year, and identified priorities for the upcoming fiscal year for the UT System and its campuses.

Mr. Gregory reported that, while there were no major safety incidents over the past fiscal year, the safety officials across the UT System continuously work to monitor and mitigate potential risks. Those efforts include annual tabletop exercises to assess responses to a number of scenarios and identify any gaps in planning and response efforts. Annual tabletop exercises were held at the UT System's executive leadership retreat, as well as at each campus. Those exercises have identified the need for additional safety training, which will focus on: (i) shelter; (ii) evacuation; and (iii) active shooter response. It was also noted that future tabletop exercises will include testing of business continuity plans and procedures.

Clery Act Compliance Update

Kelly Mihalik, Special Projects Analyst and System Clery Compliance Coordinator, began her presentation (Tab 3) by reminding the Committee members that the Clery Act was signed into law in 1990. The Clery Act mandates that all colleges and universities report crime statistics and summaries of security policies to the U.S. Department of Education by October 1 of each year. Ms. Mihalik confirmed that each UT campus completed its annual safety report (“ASR”) by the required deadline, and the ASRs are publicly available.

Ms. Mihalik highlighted several safety initiatives, including: (i) working with UT Knoxville’s Division of Student Life to create the Drug Alcohol Abuse Prevention Program; (ii) merging and migrating existing training platforms to a comprehensive learning management system to provide Campus Security Authorities with easy access to required trainings; and (iii) updating the ASR links to the Transparent UT web page, which provides UT constituents with easier access to information for all of the University’s institutions in a single location. She indicated that two pieces of federal legislation are being monitored that may result in amendments to the Clery Act, namely: (i) the Report and Educate About Campus Hazing (“REACH”) Act, which would require hazing incidents to be reported and establish a definition of hazing to clarify what constitutes a reportable offense; and (ii) the College Operational Reporting of Emergencies Involving Teens and Young Adults (“COREY”) Act, which would require the reporting of other types of instances resulting in serious harm or death.

Based on a recommendation made by Board Chair Compton, Committee Chair Jenkins requested that the administration provide a more in-depth review of data presented in the ASRs at the next meeting.

Consent Agenda

Committee Chair Jenkins called the attention of the Committee members to the information items included in the Consent Agenda (Tabs 4.1 through 4.5). No items were removed from the Consent Agenda for discussion. A complete list of the informational items included on the Consent Agenda appears at the end of these minutes.

Other Business and Closing Remarks

With no further business to come before the Committee, the Chair adjourned the meeting.

Respectfully Submitted,

/s/ Cynthia C. Moore

Cynthia C. Moore
Secretary and Special Counsel

Consent Agenda Items

- 2022 Audit Plan Update
- Outstanding Audit Issues
- Institutional Compliance Program Update
- Travel Exception Report
- Discretionary Expenditure Report

Materials Distributed to the Committee

- 2021-22 UT System Emergency Management Annual Report