



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE

October 13, 2023

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 10:15 a.m. (ET) on Friday, October 13, 2023. The meeting was held in the Pilot Company Ballroom of the Student Union located at the University of Tennessee, Knoxville, in Knoxville, Tennessee.

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

Others in Attendance:

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

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 Steven R. Angle (UT Chattanooga); Chancellor Peter Buckley (UT Health Science Center); Chancellor Yancy E. Freeman (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.

Approval of the Minutes

Committee Chair Jenkins noted that the minutes of the February 23, 2023, meeting were included in the meeting materials (Tab 1). He asked for any corrections to the minutes. Hearing none, the minutes were approved.

Institutional Compliance Program

Dr. Sarah Pruett, Executive Director of Institutional Compliance, began her presentation by directing the attention of the Committee members to the report included with the meeting materials (Tab 2). The Institutional Compliance Office employs a five-year rotating schedule for conducting risk assessment and mitigation. The schedule is staggered by campus, and the

time to complete the process varies depending on the size and complexity of the campus. Dr. Pruett stated that all University's campuses continue to work on plans related to cybersecurity, research award management, and laboratory safety.

Dr. Pruett stated that since joining the Office of Audit and Compliance (OAC) in February, she has met with compliance officers across the UT System. Those meetings will allow her to build upon the foundation the office has established and begin to implement process improvements that will assist University leaders in identifying potential risks and implementing strategic decision making. The risk assessment for the Institute for Public Service has just begun and will serve as a pilot program for changes in the risk assessment and mitigation processes.

Dr. Pruett observed that the upcoming implementation of two software platforms will have a significant, positive impact on the University: (i) the enterprise resource planning system (DASH - Dynamic Administrative Systems for Higher Ed), will work hand-in-hand with the University's compliance program and lead to dramatic changes in business processes; and (ii) the Huron Research Suite (DASH Research) will replace several current programs and provide scalable, cloud-based solutions for managing the business processes relating to research and enhance coordination amongst various groups. Additionally, OAC worked with the Division of Technology Solutions to acquire the risk oversight portion of the AuditBoard's software platform, which will assist in standardizing data to build a more proactive risk management program.

Dr. Pruett concluded her report by advising that the 2024 Compliance Plan will be brought to the Committee for approval at the Winter Meeting of the Board in February 2024.

Committee Chair Jenkins confirmed with both Dr. Pruett and UT System President Randy Boyd that the University was satisfied with the progress made to date.

Athletics Compliance Programs

Ryan Stinnett, General Counsel, provided a detailed summary on athletics compliance at the University as set forth in the meeting materials (Tab 3). He reminded the Committee that the Board's Policy on Oversight of Intercollegiate Athletics (BT0015), requires that each Chancellor with an intercollegiate program is to provide a written report to the Committee to ensure that the Committee members understand and monitor each institutions' compliance with the applicable rules and regulations governing that campus.* The information provided was for the Academic Year 2022-23.

**The rules and regulations of the National Collegiate Athletic Association (NCAA) apply to UT Chattanooga, UT Knoxville, and UT Martin. UT Southern is subject to the rules of the National Association of Intercollegiate Athletics (NAIA). The UT Health Science Center has no athletics programs.*

Mr. Stinnett reviewed the four key pieces of information each campus is to provide:

- Explanation of the compliance reporting structure within each campus's athletics department. The reporting structure for each of the four campuses is proper and provides the compliance staff within athletics with a direct reporting line to the faculty athletics representative and/or the chancellor of the institution.
- Process for reporting and investigating alleged violations. Mr. Stinnett described the process for reporting and investigating alleged violations noting that the fact that compliance violations and/or allegations of violations were identified and reported to both the Office of General Counsel and the NCAA demonstrates that the athletic staff knows the steps to be taken when they are made aware of a potential compliance violation.
- Number of full-time compliance employees working in each athletics department. When compared to their peer institutions, each of the four campuses are well within average in terms of the number of full-time compliance staff.
- Description of rules infractions reported since the last update to the Committee. Mr. Stinnett reiterated that the fact that violations are being reported is evidence that the compliance function is working. There are three levels of NCAA violations: Level III – Breach of Conduct; Level II – Significant Breach of Conduct; and Level I – Severe Breach of Conduct. Level I violations are considered to be those that seriously undermine and/or threaten the integrity of college sports. Three campuses (UT Chattanooga, UT Knoxville, and UT Martin) reported Level III violations. Mr. Stinnett stated that all of the violations were identified and self-reported to the NCAA.

In closing, Mr. Stinnett explained that the NCAA infractions case related to former UT Knoxville Football Coach Jeremy Pruitt and his staff was not included in the report as the NCAA Committee on Infractions did not release their findings until July 2023. Those infractions will be included in the next annual Athletics Compliance report to the Board in 2024.

Following Mr. Stinnett's presentation, Board Chair John Compton requested that additional information and educational training be provided to the trustees on the topic of "Name, Image, and Likeness" (NIL), which allows student-athletes the opportunity to financially benefit from the use of their name, image and likeness through various marketing and promotional endeavors.

Title IX

Dr. Ashley Blamey, UT System Title IX Compliance Coordinator, began her remarks by advising that as a recipient of federal financial assistance for educational activities, the University is required to adhere to the provisions of Title IX. Dr. Blamey noted that federal regulations relating to Title IX have shifted over time, with updated regulations expected later in the year. The Title IX Office works to ensure that the University is ready to adjust its policies in response to changes in the federal regulations.

Additionally, state law requires each state government entity that is subject to Title IX to develop an annual Title IX Implementation Plan and submit it to the Tennessee Department of Audit. Dr. Blamey directed the attention of the Committee members to the University's 2023-2024 Title IX Implementation Plan (Tab 4), which details the University's commitment to Title IX and the methods that have been developed to monitor its efforts. In response to a question raised by Committee Chair Jenkins, Dr. Blamey advised that the University does not receive a response from the State regarding the annual Title IX Implementation Plan.

The National Academies of Science, Engineering and Medicine has found that the best predictor of sexual harassment in an organization is the degree to which the organization perceives that sexual harassment is or is not tolerated. In that regard, the University has the ability to identify the expectations and establish policies related to sexual harassment, educate their constituencies on those expectations and policies, and reinforce adherence to those policies.

Dr. Blamey explained that the University is required by law – and by its own institutional culture – to create an environment where individuals can fully participate in pursuing their educational and/or career goals in an environment where they feel safe and respected. The University broadcasts its expectations through mandatory reporter training, which faculty and staff members are required to take on an annual basis. The University's Title IX policies and training opportunities are also provided to undergraduate and graduate students. Dr. Blamey observed that providing an annual update on Title IX to the Board underscores the importance of this issue to the Trustees and to the institution as a whole.

Dr. Blamey advised that for the past three years each UT campus has been required to issue an annual Title IX report to their community, which further evidenced the University's commitment to creating a safe environment and demonstrates the institution's commitment to transparency. The campuses also reinforce their commitment to Title IX through on-campus events.

Dr. Blamey stated that the Office of Title IX is collaborating across the UT System and its campuses to create a culture and community where people can thrive. To that end, her office will continue developing educational programs, instituting climate surveys, and monitoring patterns and trends.

Consent Agenda

Committee Chair Jenkins called the attention of the Committee members to the information items included in the Consent Agenda (Tabs 5.1 through 5.4). 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 Committee Chair adjourned the meeting.

Respectfully Submitted,
/s/ Cynthia C. Moore
Cynthia C. Moore
Secretary and Special Counsel

Consent Agenda Items

- 2023 Audit Plan Update
- Outstanding Audit Issues
- Travel Exception Report
- Audit & Compliance Work Plan