



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE	
Thursday, October 24, 2024	Ballroom, Student Union, UTK
3:45 p.m. (EDT)/2:45 p.m. (CDT)	Knoxville, TN

AGENDA

Public Session

- I. Call to Order and Roll Call
- II. Opening Remarks of the Committee Chair
- III. [Approval of Minutes from Last Meeting – Action](#) Tab 1
- IV. [Public Safety Update](#) Tab 2
- V. [Research Security Compliance - Information](#) Tab 3
 - A. [Board Policy on Research Security – Action](#) Tab 3.1
- VI. [Board Policy on Settlement of Claims and Litigation – Action](#) Tab 4
- VII. [Consent Agenda](#) Tab 5
 - Information Items
 - A. [2024 Audit Plan Update](#) Tab 5.1
 - B. [Institutional Compliance Program - Update](#) Tab 5.2
 - C. [Outstanding Audit Issues](#) Tab 5.3
 - D. [Travel Exception Report](#) Tab 5.4
 - E. [2024-2025 Audit & Compliance Committee Work Plan](#) Tab 5.5
- VIII. Other Business

[Note: Under the Bylaws, items not appearing on the agenda may be considered only upon an affirmative vote representing a majority of the total voting membership of the Committee. Other business necessary to come before the Committee at this meeting should be brought to the attention of the Committee or Board Secretary before the meeting.]
- IX. Closing Remarks and Adjournment



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

Nonpublic, Executive Session

Following the public session, the Committee will convene in a nonpublic, executive session pursuant to Tennessee Code Annotated § 4-35-108 to review:

- To discuss items not subject to public inspection under §§ 10-7-503 and 10-7-504, and such other matters designated as confidential or privileged by law.
- Audits
- Investigations
- Litigation



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE June 25, 2024

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 10:15 a.m. (EDT) on Tuesday, June 25, 2024. The meeting was held in the Agriculture and Natural Resources Building, located at the University of Tennessee, 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; David N. Watson; and Jamie 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 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 last meeting held on February 29, 2024, were included in the meeting materials (Tab 1). He asked for any corrections to the minutes. Hearing none, the minutes were accepted as presented.

Public Safety Update

Chief Audit and Compliance Officer Brian Daniels reminded the Committee members that, in connection with the 2019 Performance Audit Report (Sunset Audit), one of the key recommendations made by the Division of State Audit was for the Board to increase its oversight of student safety and campus security and to ensure the accurate and complete reporting of safety and crime on campuses.

Since that time, there have been annual reports presented to the Board primarily through the Audit and Compliance Committee. Ms. Kelly Mihalik, Special Projects Investigator and Public Safety Coordinator, noted that it is very difficult to make comparisons between the campuses or consider trends based on the nature of the information required to be presented in the annual security reports (ASR) under the Clery Act. To provide more insight, Ms. Mihalik presented the most recent campus crime statistics as reported to the Tennessee Bureau of Investigation (TBI). Ms. Mihalik reviewed the requirements of the Tennessee College and University Security Information Act, which applies to all public and private higher education institutions in the State of Tennessee. She indicated that the data reported to TBI is based on crime definitions used by the Federal Bureau of Investigation, and that the numbers reported reflect incidents that are reported to police. Additionally, the crime rate (rate per 1,000) is based on total campus population based on Fall 2023 full-time undergraduate and graduate students, along with the number of faculty and staff members. The TBI report provides three years of historical data, which provides a better understanding of trends broken down by type of reported crimes on each of the campuses. More information on the crime statistics for the UT campuses is included in the meeting materials (Tab 2), and a copy of the full 2023 TBI Crime Report was shared with all members of the Board of Trustees in advance of the Committee meeting.

Ms. Mihalik discussed the key takeaways of the reported crimes for each of the UT campuses, highlighted the primary findings from a statewide perspective, and responded to questions regarding the data. Board Chair John Compton thanked the team for listening to the Committee's feedback on the incident rates and presenting the statistical information in terms of campus population. A recommendation was made that future reports also include totals for the columns contained in the report. A question was raised about whether there is any available peer information that could be presented. Mr. Daniels indicated that the reporting obligation is based on a state reporting requirement. As such, crime statistics are available for in-state peer institutions for certain campuses; however, similar information may not be available for out-of-state peer institutions. Additional information was requested with respect to the nature/type of drug and narcotic violations at UT Health Science Center.

NCAA Compliance Update

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 2023-24 reporting period.

**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 program.*

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. Level I violations are the most serious. Three campuses (UT Chattanooga, UT Knoxville, and UT Martin) reported Level III violations, most related to recruiting. This year's report from UTK includes disclosure of Level I violations pertaining to the NCAA infractions case related to former UT Knoxville Football Coach Jeremy Pruitt that has been previously discussed.

Committee Chair Jenkins noted that there has been an intentional shift from lengthy PowerPoint presentations to a better curated approach to preparing the meeting materials and presentations to allow for more time for discussion. Committee Chair Jenkins expressed his gratitude to Mr. Stinnett and opened the floor for questions. Mr. Daniels and Mr. Stinnett provided further insights as to how the various offices work together (at the campus and system levels) when an allegation of a violation is made. The evolving national landscape of college athletics was also discussed in terms of potential impact for future staffing needs from a compliance perspective.

UT System Title IX Update

Dr. Ashley Blamey, UT System Title IX Compliance Coordinator, provided an overview of the UT Title IX Model and mandatory reporter training. Dr. Blamey reported that the University stands out among its peers and nationwide in terms of educational training. A copy of the presentation, along with the 2024 Title IX report is included in the meeting materials (Tab 4).

Dr. Blamey provided a synopsis of the timeline and status of the shifting Title IX landscape:

- Proposed regulations implementing Title IX were released for public comment in 2022;
- More than 240,000 comments were submitted to the U.S. Department of Education (DOE);
- The final rule was released on April 19, 2024, with an implementation deadline of August 1, 2024 (the final rule and supplementary information provided by the DOE in response to the comments received is more than 1500 pages in length); and
- A federal court granted a preliminary injunction on June 17, 2024, including the State of Tennessee, preventing the DOE from implementing, enacting, enforcing, or taking any action to enforce the final rule.

The University will continue to comply with the 2020 regulations and will take necessary actions to comply with the requirements of the new rule should it become effective. In the meantime, the University is continuing to monitor the legal landscape.

In response to questions raised by trustees, Dr. Blamey provided more information as to how the team approached review and compliance with the new standard and the extent to which existing University policies and procedures would be impacted, including the campuses' student codes of conduct.

Internal Audit Standards Update

Amy Wilegus, Executive Director of Internal Audit, provided background information on the Institute of Internal Auditors (IIA), along with statutes and standards applicable to the University. She advised the Committee members of the revised IIA governance standards that apply globally to internal audit functions for all organizations. In light of the new Global Internal Audit Standards, which become effective in January 2025, certain changes are being recommended in terms of reporting lines to, among other things, promote the importance of the internal audit function within the organization and to ensure independence where the chief audit officer is also responsible for non-audit related functions. Specifically, the Administration recommended certain governance revisions applicable to: (i) the Internal Audit Charter; and (ii) Section 6.7(2) of the University's Bylaws. No revisions are being recommended to the Committee's charter at this time. However, there may be other changes brought forward to the Committee early next year.

At the request of Committee Chair Jenkins, Ms. Cynthia Moore explained that the revisions to the Internal Audit Charter are within the scope of the Committee's authority. With respect to the proposed change to the Bylaws, the Committee will be making a recommendation to the full Board. Upon motion duly made and seconded, the Committee approved the two resolutions, as presented in the meeting materials (Tab 5.1).

Consent Agenda

Committee Chair Jenkins called the attention of the Committee members to the information items included in the Consent Agenda (Tabs 6.1 through 6.4). 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 public meeting and announced that the Committee would next meet in a non-public, executive session in accordance with state law to receive updates on audits, investigations, and litigation.

Respectfully Submitted,

/s/ Cynthia C. Moore
Cynthia C. Moore
Secretary and Special Counsel

Consent Agenda Items

- 2024 Audit Plan Update
- Outstanding Audit Issues
- Institutional Compliance Update
- Travel Exception Report

Public Safety Update



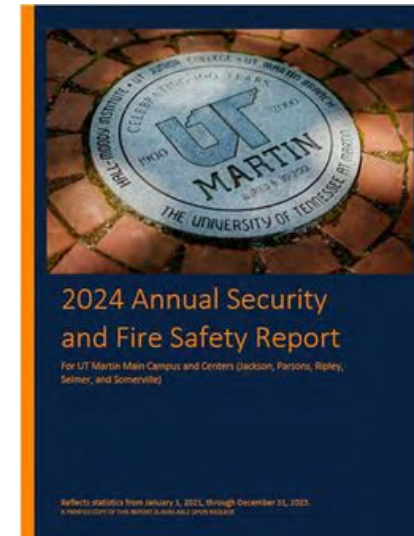
THE UNIVERSITY OF
TENNESSEE
SYSTEM

Clery Compliance

- Met October 1st publication deadline
- Submitted statistics to U.S. Department of Education
- Campus Security Authorities identified

Annual Security & Fire Safety Reports

- [UT Knoxville](#)
- [UT Space Institute](#)
- [UT Chattanooga](#)
- [UT Southern](#)
- [UT Martin](#)
- [UT Health Science Center](#)



THANK YOU



UTPD

OVERVIEW

Chief Sean Patterson



Chief Sean Patterson

- Sean Patterson was promoted to Chief of the University of Tennessee Police Department in November 2023. He was hired as the Assistant Chief of the University of Tennessee Police Department in 2020, after retiring as a lieutenant with the New York Police Department for more than 21 years.
- Patterson has also assisted the Police Executive Research Foundation (PERF) with curriculum development and delivery in a wide array of areas including critical incident response, community-oriented policing, police use of force, and de-escalation techniques. He has also taught various departments across the country the Integrating Communications Assessment and Tactics (ICAT) program.
- He also holds a master's in public administration and is a recent graduate of the UT Executive Leadership Institute.



UTPD COMMAND STAFF



Deputy Chief
Emily Simerly

Deputy Chief
Mike Richardson

PIO
Ryan Moore

Department Snapshot

- Authorized staffing is 75; currently at 68

Specialized units include:

- Community Relations Unit- in 2023 they conducted 91 campus training programs as well as 27 tabling events
- Strategic Initiatives Unit- conducted over 1,000 vehicle stops resulting in 43 drug arrests and recovered 9 firearms
- Special Events Unit- is responsible for over 350 events a year (Athletic events, Concerts, etc.)
- Canine Teams- 1 Dual purpose Patrol/Narcotics, and 3 Explosive Detection teams
- Critical Incident Response Team (CIRT)
- Motor Unit-participates in numerous area escorts (athletic events, funerals, etc.)



Looking beyond our campus boarders

- UTPD maintains an excellent relationship with leadership from the Knoxville Police Department, FBI Knoxville, the US Attorney for the Eastern District of Tennessee as well as the following agencies:
 - Knox County
 - Blount County
 - Anderson County
 - Loudon County
 - Tennessee Highway Patrol

Furthermore, UTPD routinely communicates with the Public Safety Leadership teams at UT Martin, UT Chattanooga, as well as UT Southern. Often training together at the Tennessee Association of Chiefs of Police.

Crime Stats/Trends

Property Crimes

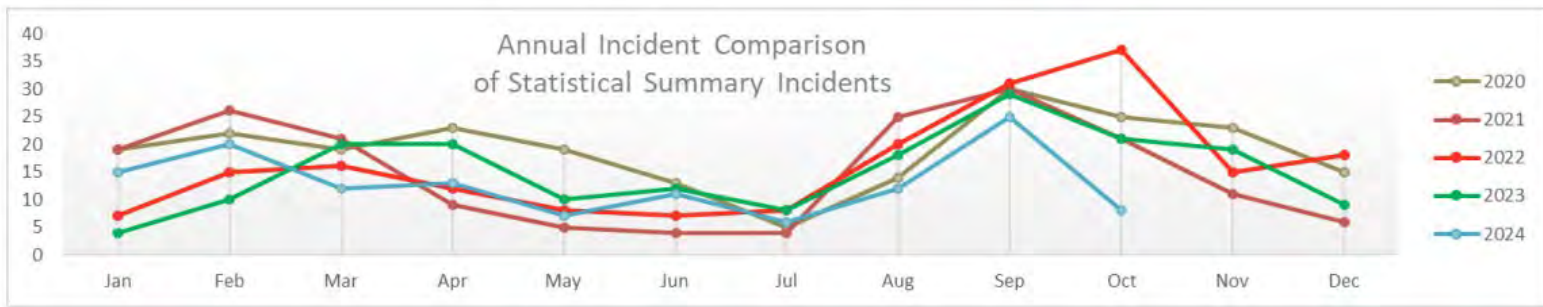
<u>2022</u>	<u>2023</u>	<u>%+/-</u>
145	98	-32%

Crimes Against Persons

<u>2022</u>	<u>2023</u>	<u>%+/-</u>
40	27	-32.5%

- - Biggest issue/crime we see on campus is “theft” which is mainly unattended property items.
- - Examples: Laptops, smart phones, backpacks, purses, etc.
- - These items are generally left unattended when students roam off, go to grab coffee or food and expect their valuable item to be there when they return.

*As of 10/13/2024



CRIME STATS/TRENDS

My Vision:

- What drives me...
- Officer Wellness
- Creating an eco-system of policing excellence
- Being the best version of ourselves
- Community engagement
- Community outreach



Q & A



Contact Information

- **Chief Sean Patterson**
◦ spatte36@utk.edu
- **Deputy Chief Mike Richardson**
◦ mike.richardson@utk.edu
- **Deputy Chief Emily Simerly**
◦ emilym@utk.edu
- **PIO Ryan Moore**
◦ rmoor103@utk.edu

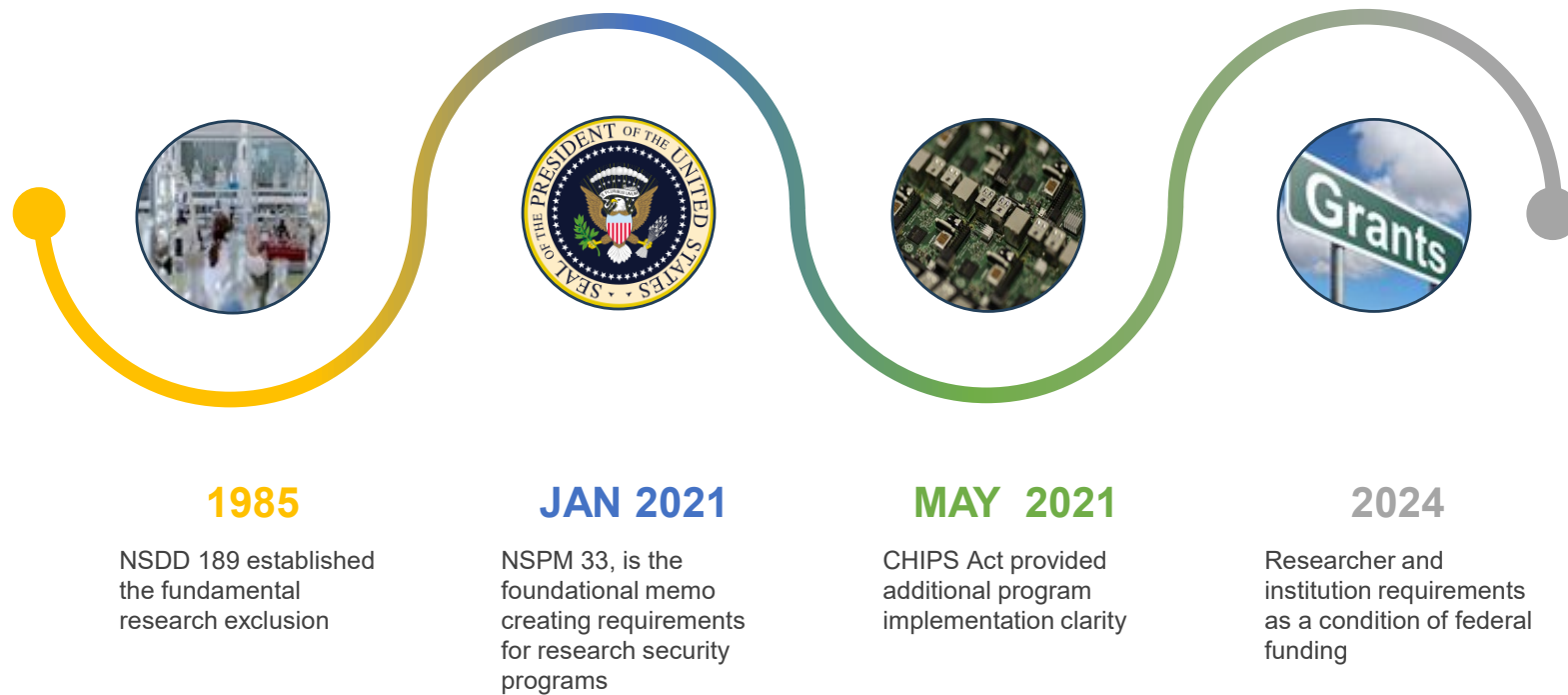
Research Security for Institutions of Higher Education

Sarah Pruetz, Executive Director
of Institutional Compliance

Ryan Stinnett, General Counsel



Research Compliance Roadmap



Essential elements of research security



CONFLICTS OF
INTEREST AND
COMMITMENT



INTERNATIONAL
TRAVEL



CYBERSECURITY



EXPORT CONTROL



RESEARCH SECURITY
TRAINING

Research Security Risks



Funding jeopardized



Legal concerns – individual & institutional



Reputational Risks

Mitigation Strategies



Personnel



Training programs



Software solutions



Policy
Development

New Tennessee Law on Research Security

“Each public institution of higher education shall safeguard its academic research from foreign adversaries by establishing a research security policy that promotes a security culture, furthers national security interests, and mitigates threats to the integrity and conduct of the institution's research against undue foreign influence.”

Tenn. Code Ann. § 49-7-188

Proposed Board of Trustees Policy

“The Board is committed to safeguarding the University’s research enterprise and adhering to federal, state, and all other applicable legal requirements. This policy has been established for the purpose of furthering the highest level of compliance with applicable ethical, legal, regulatory, contractual, and other requirements to secure, protect, and expand the University’s research portfolio...”

Proposed Board of Trustees Policy



Questions

Additional Resources

- National Security Defense Directive 189 (NSDD 189)
 - https://www.acq.osd.mil/dpap/dars/pgi/docs/National_Security_Decision_Directive_189.pdf
- National Security Presidential Memorandum 33 (NSPM 33)
 - [Presidential Memorandum on United States Government-Supported Research and Development National Security Policy – The White House \(archives.gov\)](#)
- Office of Science and Technology Policy (OSTP) and National Science & Technology Council (NSTC)
 - [GUIDANCE FOR IMPLEMENTING NATIONAL SECURITY PRESIDENTIAL MEMORANDUM 33 \(NSPM-33\) ON NATIONAL SECURITY STRATEGY FOR UNITED STATES GOVERNMENT-SUPPORTED RESEARCH AND DEVELOPMENT \(whitehouse.gov\)](#)
 - [OSTP-RSP-Guidelines-Memo.pdf \(whitehouse.gov\)](#)
- Additional agency and research organization guidance include:
 - [Laws, Policies, & Agency Guidance Concerning Research Security | Council on Governmental Relations \(cogr.edu\)](#)
 - [Research Security | NSF - National Science Foundation](#)
 - [Safeguarding the Research Enterprise \(nsf.gov\)](#)



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.1

AGENDA ITEM SUMMARY

Meeting Date: October 24, 2024

Committee: Audit and Compliance

Item: Policy on Research Security

Type: Action

Presenter(s): Ryan Stinnett, General Counsel

Background Information

Federal and state laws require the University of Tennessee to develop and implement research security programs. A recently enacted state law, Tennessee Code § 49-7-188, provides as follows: “Each public institution of higher education shall safeguard its academic research from foreign adversaries by establishing a research security policy that promotes a security culture, furthers national security interests, and mitigates threats to the integrity and conduct of the institution's research against undue foreign influence. Each institution shall implement a research security policy no later than January 1, 2025, and make the policy readily available on the institution’s website.”

Attached is a proposed Board “Policy on Research Security” to comply with this new Tennessee law. The policy will apply broadly to the University, including all of its components (i.e., system administration, campuses, and institutes), and will require that numerous actions be taken to safeguard the University’s research enterprise and ensure compliance with applicable legal requirements, including the following: (1) designation of a Chief Research Security Officer for the University; (2) designation of Research Security Officers for each campus and institute; (3) creation of a systemwide University Research Security Council; and (4) development by the Council of a comprehensive research security program for the University. The Council shall also be responsible for preparing an initial implementation report, along with other ongoing reports, pertaining to the University’s research program as deemed appropriate by the Audit and Compliance Committee.

In addition to ensuring timely compliance with the new Tennessee law on research security, the proposed Board Policy also aligns with multiple federal directives and laws, including National Security Presidential Memorandum 33, the CHIPS and Science Act, and the National Defense Authorization Act.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.1

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following resolution by the Board of Trustees.

Resolved:

The Board of Trustees hereby approves the Policy on Research Security, which Policy shall be attached to this Resolution after adoption. Further, the Board Secretary is hereby authorized to renumber and reorder the Board's outstanding policies to reflect the addition of this new policy and as may otherwise be necessary or appropriate to improve the overall organization of the approved Board policies.

System-wide Policy: BT00__ - Policy on Research Security	
Version: 1	Effective Date: TBD

**BOARD OF TRUSTEES
POLICY ON RESEARCH SECURITY**

I. PURPOSE

The mission of The University of Tennessee (the “University”) is to serve all Tennesseans and beyond through education, discovery and outreach that enables strong economic, social and environmental well-being. Consistent with the [Be One UT](#) values, the Board of Trustees (the “Board”) is dedicated to governing the University in a manner that will advance the public’s trust and confidence in the University and its mission through, among other things: (i) setting high standards; (ii) fostering integrity through openness, accountability, and stewardship; (iii) embracing the free exchange of knowledge and ideas; and (iii) collaborating internally and externally for greater impact.

The Board is committed to safeguarding the University’s research enterprise and adhering to federal, state, and all other applicable legal requirements. This policy has been established for the purpose of furthering the highest level of compliance with applicable ethical, legal, regulatory, contractual, and other requirements to secure, protect, and expand the University’s research portfolio, including but not limited to the following categories of research: classified, export-controlled, controlled unclassified, and fundamental.

II. SCOPE

This policy applies to the University, including all of its components (i.e., system administration, campuses, and institutes).

III. RESEARCH SECURITY PROGRAM OFFICERS

- A. Chief Research Security Officer. The President of the University shall designate a chief research security officer (CRSO) for the University. The CRSO shall be responsible for: (i) ensuring compliance with this Policy and all policies, procedures, and guidelines developed hereunder; (ii) coordinating and overseeing University research security risk assessment and monitoring programs; (iii) advising and coordinating with campus research security officers on research security training, reviews, and program implementation; (iv) referring research security incidents to the appropriate University programs for review and implementing resolution decisions; (v) corresponding with governmental authorities as needed and in coordination with the RSOs and other University personnel; (vi) maintaining a website and other appropriate communication initiatives concerning the University

Research Security Program; and (vii) certifying University compliance with governmental research security program requirements.

- B. Campus and Institute Research Security Officers. Each Chancellor shall designate a research security officer (RSO) for their respective campus. The RSO for the University of Tennessee, Knoxville, shall serve as the RSO for the University of Tennessee Institute of Agriculture and the University of Tennessee Space Institute. The Vice President for the Institute of Public Service (IPS) shall designate an RSO for IPS. The RSOs shall be responsible for: (i) implementing their respective campus' research security training, monitoring, risk assessment, reporting, and compliance programs in coordination with appropriate campus offices; (ii) timely reporting research security incidents, program implementation milestones, and changes in campus research security status to the CRSO; (iii) corresponding with governmental authorities as needed and in coordination with the CRSO and other University personnel; (iv) documenting and maintaining campus research security records; and (v) certifying campus compliance with governmental research security program requirements.

IV. UNIVERSITY RESEARCH SECURITY COUNCIL

To promote collaboration and consistency across the University, a systemwide University Research Security Council ("Council") shall be established. The following individuals shall serve ex officio on the Council:

- Associate Vice President for Research*;
- Executive Director of Institutional Compliance*;
- Chief Research Officer of each campus;
- CRSO and each RSO;
- Vice President for National Labs;
- Chief Information Officer for the University;
- Enterprise Risk Officer; and
- President, University Faculty Council.

*Co-chairs of the Council.

The University Policy Director, University Director of Privacy, and a member of the Office of General Counsel shall be advisory, non-voting members of the Council.

The University President, Vice President for Academic Affairs, Research and Student Success, the Chief Audit and Compliance Officer, and the General Counsel for the University shall each receive notice of all Council meetings. The Council shall administratively report to the Vice President for Academic Affairs, Research, and Student Success.

V. RESEARCH SECURITY PROGRAM

The Council shall be responsible for evaluating the University's research security posture and for developing an integrated and comprehensive research security program for the University, which shall include administrative policies, procedures, guidance, and training to: (i) ensure the University's compliance with applicable laws, regulations, and other requirements; (ii) provide important resources and tools to assist research active faculty, staff, and students; and (iii) mitigate threats to the integrity and conduct of the University's research enterprise against undue foreign interference (the "Research Security Program").

Such Research Security Program shall address key risk areas identified by federal and state governments, including, but not limited to, intellectual property, cybersecurity, research and proprietary data security, clinical trial data security, disclosure requirements, foreign collaborations, foreign travel security, foreign visitors, foreign scholars and researchers, insider threats, export control, and any other key risk areas identified by the Council or otherwise requested by the President of the University. In developing the Research Security Program, the Council shall implement safeguards to protect the rights of researchers, students, and research support staff and avoid targeting, stigmatization, or unlawful discrimination against individuals.

The Council shall evaluate and report recommendations to the Vice President for Academic Affairs, Research, and Student Success regarding the University offices and positions which are most appropriate to serve as the University's responsible official for subject matter areas included within the Research Security Program.

The Council is authorized to convene working groups comprised of subject matter experts to provide advice to the Council on particular topics and shall seek to integrate the Research Security Program into existing University programs, offices, and departments to maximize efficiency.

- A. Council Bylaws. The Council shall adopt bylaws, consistent with this Policy, setting forth the rules and procedures governing how the Council will operate including meeting frequency, voting, committees, special committees, etc. The Council Bylaws shall be maintained on the University System Policy Website.
- B. Education and Training. The Research Security Program shall include a training program to ensure that research faculty, staff, and students receive: (i) training required by applicable laws, regulations, and other requirements; and (ii) resources and tools to assist with disclosures, risk mitigation, and ongoing compliance. The training program requirements and objectives shall be developed by the Council and implemented by the CRSO and RSOs in coordination with existing University programs, offices, and departments, as appropriate. The training program shall utilize training resources developed

by governmental authorities when required and shall otherwise leverage governmental resources where appropriate to maximize efficiency.

- C. Communication. The Research Security Program shall include communication procedures and processes which facilitate the distribution of governmental and other useful resources, guidance, and communications relevant to the University's research enterprise. At a minimum, the communication procedures and processes shall require the CRSO to create, maintain, and update a University research security website which facilitates access to the Research Security Program materials.
- D. Monitoring, Compliance, and Risk Assessment. The Research Security Program shall include systems for research security monitoring, compliance, and risk assessment. The University Office of Audit and Compliance shall conduct periodic compliance reviews of the Research Security Program.
- E. Incident Reporting and Response. The Research Security Program shall establish an incident reporting and response program for research security matters. At a minimum, the incident reporting and response program shall require University employees and researchers to report information that may negatively impact the Research Security Program and shall establish a reporting hierarchy, a working group to consider and resolve research security incidents in coordination with necessary University and campus programs and offices, and procedures for resolving research security incidents. The incident reporting and response program shall also establish points of contact and communication standards for any required communications with government personnel in relation to research security incidents.

VI. DELEGATED SIGNATURE AUTHORITY

Subject to compliance with applicable Board or University policies requiring prior review of legal instruments by the General Counsel (or designee) and/or the Chief Financial Officer (or designee), the Vice President for Academic Affairs, Research, and Student Success is authorized to execute or cause to be executed such contracts, agreements, certifications, or any other instrument of legal obligation on behalf of the University pertaining to the Research Security Program consistent with the provisions of this Policy and any applicable Board resolutions. This delegation of signature authority is supplemental to, and does not replace, any duly authorized signature authority existing as of the date of this Policy.

Additionally, the Vice President for Academic Affairs, Research, and Student Success may designate in writing, without the right for further sub-delegation, appropriate system, campus, and/or institute administrative personnel the authority to sign certain documents associated with the University's Research Security Program as may be

recommended from time to time by the Council. A copy of the delegation letter(s) shall be filed with the Chief Audit and Compliance Officer, the Chief Financial Officer, and the Board Secretary and Special Counsel.

VII. REPORTS

The Council shall be responsible for preparing an initial implementation report, along with other ongoing reports, pertaining to the University’s research program as deemed appropriate by the Audit and Compliance Committee.

History:

Adopted	
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THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: October 25, 2024

Item: Proposed Revisions to Board Policy on Settlement of Claims and Litigation (BT0031)

Type: Action

Presenter: Ryan Stinnett, General Counsel

Background Information

Board Policy BT0031 – Policy on Settlement of Claims and Litigation establishes specific requirements for approval and oversight of the settlement of claims and litigation, including approval of settlements above a certain amount by either the Executive Committee or the Audit and Compliance Committee of the Board of Trustees, and reserves certain approval authority in the Board itself. The Policy was originally adopted by the Board on October 14, 2016, and the Policy was most recently revised on June 21, 2019.

Following a comprehensive review of the Policy by the Office of the General Counsel, and in consultation with the President, the Senior Vice President and Chief Financial Officer, and the Board Secretary and Special Counsel, the General Counsel recommends certain revisions to the Policy. The intent of these changes is primarily to clarify, but not substantively change, which types of litigation and claims fall within the scope of the Policy.

A summary of the key revisions being proposed is as follows:

- Deleting the “Background” paragraph (formerly Section 1 of Policy) and updating the section numbering and headings;
- Clarifying that the definition of “Claim” applies to a demand for either monetary payment or some other legal remedy, when such demand is asserted against either the University, the Board of Trustees, an individual Trustee(s), or University employees (in renumbered Section III of the Policy);
- Clarifying that the definition of “Litigation” means a lawsuit against the University, the Board of Trustees, an individual Trustee(s), or University employees (in renumbered Section III of the Policy); and



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

- Clarifying and streamlining the language regarding the recommendation of settlement by the appropriate University officer; the legal review of the proposed settlement by the General Counsel; and the submittal by the General Counsel of appropriate settlement documentation to the Chief Financial Officer, President, and/or Chair of the Board, as appropriate (in renumbered Section IV of the Policy).

No changes are being recommended to the dollar thresholds for CFO, President, or Board approvals of settlements, as stated in newly numbered Section V of the Policy. At this time, the Office of the General Counsel continues to believe that the current dollar thresholds are appropriate with regard to the University's litigation and claims.

A copy of the proposed Board Policy, along with a copy marked to show revisions, is set forth in Appendix A attached hereto.

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees:

Resolved:

The Board of Trustees hereby approves the updated Policy on Settlement of Claims and Litigation, which Policy shall be attached to this Resolution after adoption. Further, the Board Secretary is hereby authorized to renumber and reorder the Board's outstanding as may otherwise be necessary or appropriate to improve the overall organization of the approved Board policies.



System-wide Policy:	
BT0031 - Policy on Settlement of Claims and Litigation	
Version: 3	Effective Date: [TBD]

**BOARD OF TRUSTEES
POLICY ON SETTLEMENT OF CLAIMS AND LITIGATION**

I. PURPOSE

This policy establishes specific requirements for approval and oversight of the settlement of certain claims and litigation, including approval of settlements above a certain amount by either the Executive Committee or the Audit and Compliance Committee of the Board of Trustees, and reserves certain approval authority in the Board itself.

II. APPLICATION

This policy applies to certain claims and litigation (as defined in Section III of this policy) against: (i) The University of Tennessee (including any component unit of the University) or the Board of Trustees, as a corporate body; (ii) Trustees and University employees sued in their official capacities; and (iii) Trustees and University employees sued in their individual capacities when representation has been authorized by the Attorney General and Reporter pursuant to Tennessee Code Annotated § 8-42-103 and any settlement is proposed to be paid by the University.

III. DEFINITIONS

As used in this policy, the terms “claim” and “litigation” shall have the following meanings:

“**Claim**” means a dispute in which a demand for payment or other legal remedy is asserted against the University, the Board of Trustees, Trustees, or University employees, in some manner other than through litigation and in which litigation is reasonably anticipated.

“**Litigation**” means: (i) a lawsuit against the University, the Board of Trustees, Trustees, or University employees in a federal or state court with original jurisdiction over the subject matter; and (ii) a matter before a state or federal administrative agency (such as the Tennessee Human Rights Commission, the Equal Employment Opportunity Commission, or the Office for Civil Rights).

IV. SETTLEMENT RECOMMENDATION AND LEGAL REVIEW

When the appropriate Senior Official has decided that settlement of a claim or litigation is in the University’s best interest, the Senior Official shall submit his/her written recommendation for approval of the settlement, and any other supporting recommendations the Senior Official may have obtained, to the General Counsel. The Senior Official’s recommendation shall identify the source of funding for the settlement. For purposes of this policy, “Senior Official” means the appropriate University officer with chief executive authority for the University unit from which the claim or litigation arises, such as the President for claims or litigation arising out of the system administration or the appropriate Chancellor or Vice President for claims arising out of a campus or institute.

The General Counsel shall then provide to the system Chief Financial Officer, as the initial approving authority under Section V of this policy, the following documents: (i) the Senior Official’s settlement recommendation, along with any supporting recommendations; and (ii) the General Counsel’s written legal analysis of both the claim or litigation and the proposed settlement. If additional approvals by the President and/or the Board are required under Section V of this policy, the General Counsel shall also submit this documentation to the President and/or the Chair of the Board, as appropriate. If the claim or litigation is defended by attorneys other than those employed in the Office of the General Counsel, lead counsel handling the claim or litigation may, as determined in the discretion of the General Counsel, carry out the General Counsel’s responsibilities under this Section IV.

V. DELEGATED APPROVAL AUTHORITY

Except as provided in Section VI of this policy, a recommendation for settlement of claims and litigation is subject to the following approvals:

Up to and including \$25,000	Chief Financial Officer
More than \$25,000 up to and including \$250,000	Chief Financial Officer and President
More than \$250,000	Chief Financial Officer, President, and either the Executive Committee or the Audit and Compliance Committee

- (a) If the settlement amount is more than \$250,000, the Chair of the Board shall determine which of the two specified committees of the Board will be asked to approve the settlement.

- (b) The Chief Financial Officer, the President, or the General Counsel may refer any settlement submitted to them to either the Executive Committee or the Audit and Compliance Committee for approval, as determined by the Chair of the Board.
- (c) Any settlement submitted or referred to the Audit and Compliance Committee may be referred by the Committee to either the Executive Committee or the Board of Trustees for approval.
- (d) Any settlement submitted or referred to the Executive Committee may be referred by the Committee to the Board of Trustees for approval.
- (e) The General Counsel must approve all settlement agreements as to form and legality.
- (f) The President, Chief Financial Officer, and General Counsel may not delegate approval of settlements to another employee except in the extraordinary circumstance in which the official expects to be unable to perform the duties of his or her office for more than two weeks. The official shall give written notice of the delegation to other officials required to approve settlements and to the Chair of the Board.

VI. RESERVATION OF APPROVAL AUTHORITY IN THE BOARD OF TRUSTEES

Notwithstanding the provisions of Section VI of this policy, the Board of Trustees reserves to itself authority to approve settlement of the following: (i) claims or litigation involving a decision of the Board; and (ii) claims or litigation against Trustees in their individual capacities.

VII. ADDITIONAL APPROVALS

Nothing in this policy shall be construed to preclude additional approval of settlements if deemed warranted by the Chair of the Board, the President, or the General Counsel.

VIII. REVIEW OF CLAIMS AND LITIGATION

The General Counsel’s periodic review (at least annually) of all claims and litigation with the Audit and Compliance Committee in confidential, non-public executive sessions, pursuant to Tennessee Code Annotated § 4-35-108, shall include a review of all settlements of claims and litigation approved since the previous review, regardless of the amount of the settlement.

History:

Adopted	10/14/2016
Revised	06/21/2019 (technical revisions)



System-wide Policy:	
BT0031 - Policy on Settlement of Claims and Litigation	
Version: 3	Effective Date: <u>TBD</u>

**BOARD OF TRUSTEES
POLICY ON SETTLEMENT OF CLAIMS AND LITIGATION**

~~SECTION 1. — BACKGROUND~~

~~The Bylaws of the Board of Trustees authorize the President, Chief Financial Officer, Treasurer, and Secretary to execute legal instruments binding on the University, which include settlement agreements resolving legal claims and litigation against the University and University officials. Prior to adoption of this policy, there was no requirement for Board involvement in the settlement of claims and litigation. The typical practice was for the Chief Financial Officer to approve settlements after other approvals appropriate to the particular matter had been obtained, including approval by the chief executive officer of the campus or institute (or designee).~~

~~SECTION 2. — PURPOSE~~

I. PURPOSE

This policy establishes specific requirements for approval and oversight of the settlement of certain claims and litigation, including approval of settlements above a certain amount by either the Executive Committee or the Audit and Compliance Committee of the Board of Trustees, and reserves certain approval authority in the Board itself.

~~SECTION 3. — APPLICATION~~

II. APPLICATION

This policy applies to certain claims and litigation (as defined in Section III of this policy) against: (a) The University of Tennessee (including any component unit of the University); (b) Trustees and University employees sued in their official capacities; and (c) Trustees and University employees sued in their individual capacities when representation has been authorized by the Attorney General and Reporter pursuant to Tennessee Code Annotated § 8-42-103 and any settlement is proposed to be paid by the University.

SECTION 4.— DEFINITIONS**III. DEFINITIONS**

As used in this policy, the terms “claim” and “litigation” shall have the following meanings:

“**Claim**” means a dispute in which a demand for payment or other legal remedy is asserted against the University, the Board of Trustees, Trustees, or University employees, in some manner other than through litigation and in which litigation is reasonably anticipated.

“**Litigation**” means: ~~(i)~~ a lawsuit against the University, the Board of Trustees, Trustees, or University employees in a federal or state court with original jurisdiction over the subject matter; and ~~(ii)~~ a matter before a state or federal administrative agency (such as the Tennessee Human Rights Commission, the Equal Employment Opportunity Commission, or the Office for Civil Rights).

~~SECTION 5.— APPROVAL AND RECOMMENDATION BY THE CHIEF EXECUTIVE OFFICER OF THE CAMPUS, INSTITUTE, OR SYSTEM ADMINISTRATION~~

~~(a)—When the chief executive officer of a campus or institute (a Chancellor or the Vice President for Public Service) has decided that settlement of a claim or litigation arising out of the campus or institute is in the University’s best interest, the chief executive officer’s approval of the settlement, and any other campus or institute approvals the chief executive officer may have obtained, shall be documented in a written recommendation submitted to the system Chief Financial Officer as the initial approving authority under Section 6 of this policy. The chief executive officer’s recommendation shall identify the source of funding for the settlement.~~

~~(b)—When the chief executive officer of the system administration (the President) has decided that settlement of a claim or litigation arising out of the system administration is in the University’s best interest, the chief executive officer’s approval of the settlement, and any other system administration approvals the chief executive officer may have obtained, shall be documented in a written recommendation submitted to the system Chief Financial Officer as the initial approving authority under Section 6 of this policy (in which case further approval by the President under Section 6 of this policy is not required regardless of the amount of the settlement). The chief executive officer’s recommendation shall identify the source of funding for the settlement.~~

~~The General Counsel shall submit settlements to the approving authorities designated in Section 6 of this policy and shall include the chief executive officer’s written recommendation, an analysis of the claim or litigation, and an analysis of the settlement; provided, however, that if the claim or litigation is defended by attorneys~~

~~other than those employed in the office of the General Counsel, lead counsel for the claim or litigation shall carry out this responsibility.~~

IV. SETTLEMENT RECOMMENDATION AND LEGAL REVIEW

When the appropriate Senior Official has decided that settlement of a claim or litigation is in the University’s best interest, the Senior Official shall submit his/her written recommendation for approval of the settlement, and any other supporting recommendations the Senior Official may have obtained, to the General Counsel. The Senior Official’s recommendation shall identify the source of funding for the settlement. For purposes of this policy, “Senior Official” means the appropriate University officer with chief executive authority for the University unit from which the claim or litigation arises, such as the President for claims or litigation arising out of the system administration or the appropriate Chancellor or Vice President for claims arising out of a campus or institute.

The General Counsel shall then provide to the system Chief Financial Officer, as the initial approving authority under Section V of this policy, the following documents: (i) the Senior Official’s settlement recommendation, along with any supporting recommendations; and (ii) the General Counsel’s written legal analysis of both the claim or litigation and the proposed settlement. If additional approvals by the President and/or the Board are required under Section V of this policy, the General Counsel shall also submit this documentation to the President and/or the Chair of the Board, as appropriate. If the claim or litigation is defended by attorneys other than those employed in the Office of the General Counsel, lead counsel handling the claim or litigation may, as determined in the discretion of the General Counsel, carry out the General Counsel’s responsibilities under this Section IV.

~~**SECTION 6. APPROVAL OF THE CHIEF EXECUTIVE OFFICER’S RECOMMENDATION**~~

V. DELEGATED APPROVAL AUTHORITY

Except as provided in Section ~~7~~VI of this policy, ~~the chief executive officer’s~~ recommendation for settlement of claims and litigation is subject to the following approvals:

Up to and including \$25,000	Chief Financial Officer
More than \$25,000 up to and including \$250,000	Chief Financial Officer and President (or General Counsel instead of President if the claim or litigation is defended by attorneys other than those employed in the Office of the General Counsel)

More than \$250,000	Chief Financial Officer, President, and either the Executive Committee or the Audit and Compliance Committee
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- (a) If the settlement amount is more than \$250,000, the Chair of the Board shall determine which of the two specified committees of the Board will be asked to approve the settlement.
- (b) The Chief Financial Officer, the President, or the General Counsel may refer any settlement submitted to them to either the Executive Committee or the Audit and Compliance Committee for approval, as determined by the Chair of the Board.
- (c) Any settlement submitted or referred to the Audit and Compliance Committee may be referred by the Committee to either the Executive Committee or the Board of Trustees for approval.
- (d) Any settlement submitted or referred to the Executive Committee may be referred by the Committee to the Board of Trustees for approval.
- (e) The General Counsel must approve all settlement agreements as to form and legality.
- (f) The President, Chief Financial Officer, and General Counsel may not delegate approval of settlements to another employee except in the extraordinary circumstance in which the official expects to be unable to perform the duties of his or her office for more than two weeks. The official shall give written notice of the delegation to other officials required to approve settlements and to the Chair of the Board.

~~SECTION 7.—RESERVATION OF APPROVAL AUTHORITY IN THE BOARD OF TRUSTEES~~
VI. RESERVATION OF APPROVAL AUTHORITY IN THE BOARD OF TRUSTEES

Notwithstanding the provisions of Section ~~6~~**VI** of this policy, the Board of Trustees reserves to itself authority to approve settlement of the following: ~~(4)~~**(i)** claims or litigation involving a decision of the Board; and ~~(2ii)~~**(ii)** claims or litigation against Trustees in their individual capacities.

~~SECTION 8.—ADDITIONAL APPROVALS~~
VII. ADDITIONAL APPROVALS

Nothing in this policy shall be construed to preclude additional approval of settlements if deemed warranted by the Chair of the Board, the President, or the General Counsel.

~~SECTION 9. AUDIT AND COMPLIANCE COMMITTEE REVIEW OF CLAIMS AND LITIGATION~~
VIII. REVIEW OF CLAIMS AND LITIGATION

The General Counsel’s periodic review (at least annually) of all claims and litigation with the Audit and Compliance Committee in confidential, non-public executive sessions, pursuant to Tennessee Code Annotated § 4-35-108, shall ~~continue to~~ include a review of all settlements of claims and litigation approved since the previous review, regardless of the amount of the settlement.

History:

Adopted	10/14/2016
Revised	06/21/2019 (technical revisions)



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: October 24, 2024
Committee: Audit and Compliance
Item: **Consent Agenda**
Type: Information

Background Information

There are no action items on the Committee Consent Agenda for approval; however, certain information items have been placed on the Committee Consent Agenda. These items will not be presented or discussed in the Committee unless a Committee member requests removal of an item from the Consent Agenda. The Bylaws provide that an item will not be removed from the Consent Agenda solely for the purpose of asking questions for clarification. Those questions should be presented to the Chief Audit and Compliance Officer before the meeting. Unless there is a request to remove an information item for review or discussion, the information items will be deemed to be accepted.

The University of Tennessee
Audit Plan Status - August
For the Year Ending December 31, 2024

5.1

Audit Engagements	Campus	Status
Capital Construction - Outsourced	UTSA/UTK/UTIA	Complete
Building Access Security	UTC	Complete
College of Engineering & Natural Sciences - Policy Compliance	UTM	Complete
College of Communication & Info - Policy Compliance	UTK	Complete
OVC Athletics Special Assistance Funds (Annual)	UTM	Complete
Contracts Management	System-Wide	In-Progress
Extension Eastern Region - Policy Compliance	UTK/UTIA	In-Progress
College of Engineering & Computer Science - Policy Compliance	UTC	In-Progress
Lab Safety	UTC	In-Progress
CCTA (Annual)	System-wide	In-Progress
Capital Construction - Outsourced	UTSA/UTC	In-Progress
College of Social Work - Cash and Gift Card Controls	UTK	In-Progress
4-H Event Planning and Security	UTK/UTIA	In-Progress
Facilities - Policy Compliance	UTHSC	In-Progress
Office of the President (Annual)	UTSA	In-Progress
Office of the Chancellor (Annual)	UTC	In-Progress
Office of the Chancellor (Annual)	UTS	In-Progress
Office of the Chancellor (Annual)	UTM	In-Progress
ADA Compliance	System-wide	In-Progress
Facilities - 3rd Party Use	System-wide	In-Progress
Leave Monitoring	UTC	In-Progress
Police Department Accreditation Audit	UTM	In-Progress
Deferred Maintenance	System-wide	Planned
IT: Asset Management	UTK	Planned
Added - UTK Admin Access	UTK	Planned
Research Compliance - NSPM 33	UTK	Replaced

Consulting Engagements	Campus	Status
GLBA Compliance	UTSA/UTK/UTHSC/UTC/UTM/UTS	Complete (6)
NIL Policy & Procedure Review	System-Wide	Complete
Sponsored Research Programs - Pre-Award Process	System-Wide	Complete
Fiscal Policy Development	UTSA	Complete
UTHSC Office of Finance & Operations Benchmarking	UTHSC	Complete
UT Chattanooga Peer Benchmarking	UTC	Complete
DASH System Implementation (Co-Sourced)	System-Wide	In-Progress
IT: Third Party Risk Management	System-Wide	In-Progress
College of Medicine Benchmarking	UTHSC	In-Progress
Lab Safety	UTS	In-Progress
Policy Development	UTS	In-Progress
Sensitive Minor Equipment Policy	UTSA	In-Progress
HERD Process	System-wide	In-Progress
Sponsored Programs - Post-Award Process	System-wide	Planned
AI- Policies and Procedures	System-wide	Planned
Safety & Security Review	UTC	Planned

Institutional Compliance Plan Update



2024 Institutional Compliance Plan Updates



IT risk assessment and compliance strategy expanded for a more in-depth statewide approach with AuditBoard. (UTSA IT)



Risk assessments are scheduled to begin Fall 2024 for IPS and UTM.

Campus committee training for UTM and IPS are complete.



Launched Self-Assessment of Controls in support of TN Financial Integrity Act compliance.



Environmental Health and Safety & Emergency Management policy and regulatory assessment underway.

Research Compliance

Research policy review and drafting is underway for research security, export control, foreign talent programs (see UT policy [RE0003](#)). Fiscal policies are under review for sponsored projects.

DASH Research software implementation is in progress. Wave One modules, Conflict of Interest and Effort Certification, are on schedule. Wave Two is underway with grants and agreements in design, and the human subjects research (IRB) project has started.



Special Projects & Investigations

Standardization of internal processes to streamline cycle time and increase process transparency are underway.

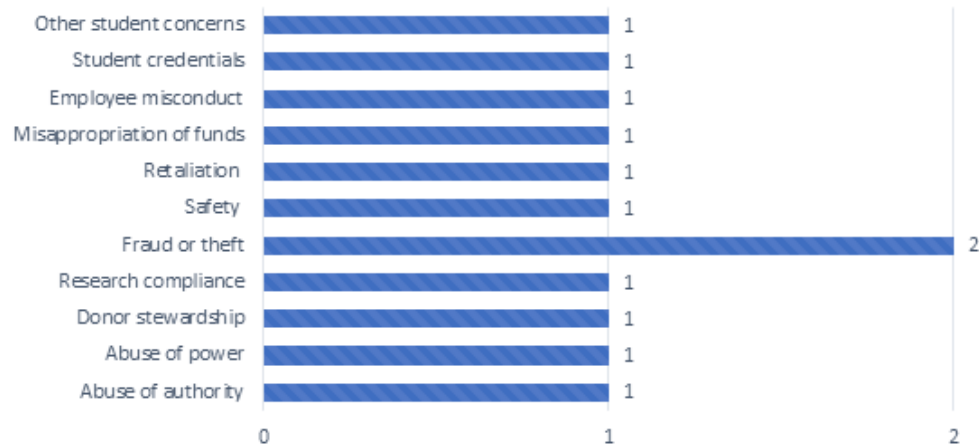
- Operations manual is in progress with estimated completion in Fall 2024.
- Report templates will be incorporated into operations manual.
- Recording and recordkeeping have been updated to utilize Maxient.

Fraud and hotline training based on reporting trends has been provided on request during Spring 2024 and Summer 2024. In-person fraud awareness training was provided for UT Martin faculty and staff groups in August 2024.

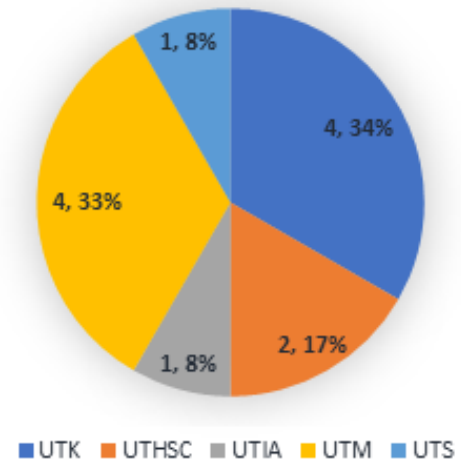
Fraud, Waste and Abuse policy is being revised and updated.

Special Projects & Investigations

Investigated Cases by Issue



Open Cases by Location





Outstanding High-Priority Audit Issues

As of September 16, 2024

5.3

**Internal Audit will follow up with management to confirm remediation status when due.*

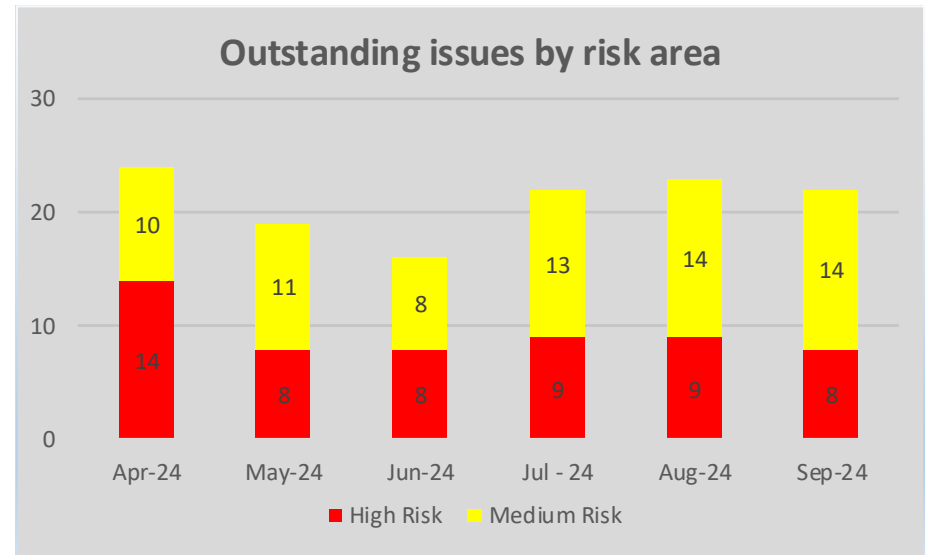
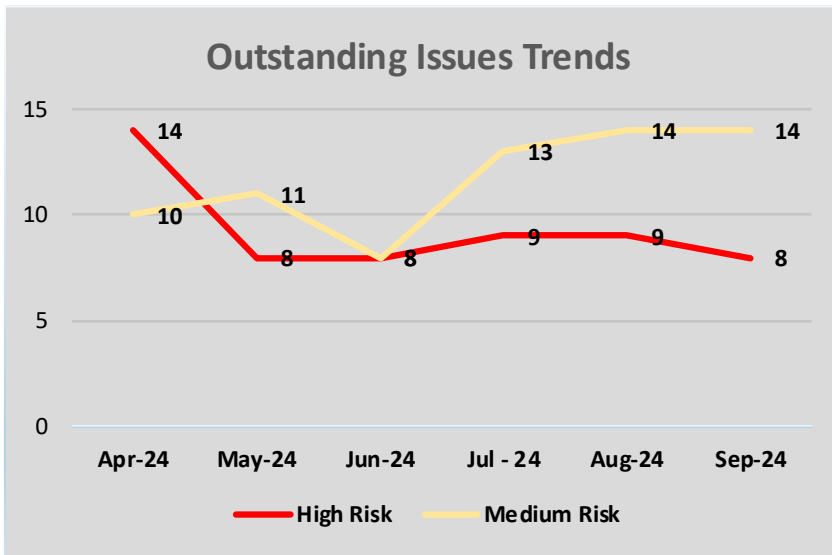
Campus		Audit	Issue	Report Date	Expected Remediation Date*	Revised Remediation Date*
1	UTHSC	Dentistry – AR & Controlled Substances	Unclaimed Property	10/31/2023	12/31/2023	10/31/2024
2	UTSA	EESRB Capital Construction Audit	Contractor Billing Variances	3/27/2024	9/30/2024	10/31/2024
3	UTC	Building Access Security	Lack of Oversight for Department Managed Physical Access Controls	4/19/2024	7/31/2024	10/31/2024
4	UTC	Building Access Security	Insufficient Building Access Processes	4/19/2024	10/31/2024	N/A
5	UTC	Building Access Security	Lack of Comprehensive Building Risk Assessment and Defined Security Standards	4/19/2024	10/31/2024	N/A
6	UTC	Building Access Security	Physical Key Access Controls	4/19/2024	10/31/2024	N/A
7	UTK	College of Communication & Information	Inconsistent Payroll Check Register Review	6/13/2024	7/31/2024	10/31/2024
8	UTC	College of Engineering & Computer Science	Pcard reconciliation errors and lack of reconciliation	9/23/2024	10/31/2024	N/A



Issues by Priority Rating

As of September 16, 2024

5.3





THE UNIVERSITY OF TENNESSEE SYSTEM

TREASURER

5.4

MEMORANDUM

TO: Audit and Compliance Committee
Mr. John Compton, Chair of the Board of Trustees
Mr. Decosta Jenkins, Chair, Audit and Compliance Committee
Mr. Bill Rhodes, Chair, Finance and Administration Committee

FROM: Mr. Luke Lybrand *LL*

DATE: September 27, 2024

SUBJECT: Travel Exception Report

The Board of Trustee's policy on travel requires the university to report to the Audit and Compliance Committee any travel exceptions approved on behalf of the President, employees in the President's Office, senior-level administrators, or the Sr. Vice President and Chief Financial Officer. For the quarter ending June 30, 2024, there were no exceptions requested or approved in accordance with the Board's policy.

If you have any questions, please let me know.

c: Mr. Randy Boyd
Mr. David Miller
Mr. Brian Daniels
Ms. Cindy Moore

**AUDIT AND COMPLIANCE COMMITTEE
WORK PLAN (2024 -2025)**

PURPOSE:

The Audit and Compliance Committee (“Committee”) is established pursuant to the State of Tennessee Audit Committee Act of 2005, codified at Tennessee Code Annotated §§ 4-35-101 et seq. The Committee assists the Board in fulfilling its governance and oversight responsibilities. The Committee has specific responsibilities included in the Committee Charter, as approved by the Board, further described below.

AUTHORITY:

The Audit and Compliance Committee has authority to conduct or authorize investigations into any matter within its scope of responsibility.

The Committee is empowered to:

- Seek any information it requires from employees – all of whom are directed to cooperate with the Committee’s requests – or external parties.
- Meet with University officials, external and internal auditors, the General Counsel, or others as necessary.
- Delegate authority to subcommittees to handle any matter within the Committee’s scope of responsibility, provided that actions of the subcommittee are presented to the full Committee at a previously scheduled or called meeting.
- Oversee the internal audit and institutional compliance functions of the University, which will report directly to the Audit and Compliance Committee through the Chief Audit and Compliance Officer.
- Conduct confidential, nonpublic executive sessions as authorized by law.

**AUDIT AND COMPLIANCE COMMITTEE
WORK PLAN (2024 -2025)**

RESPONSIBILITIES:

5.5

Financial Statements

- Provide oversight for the integrity of the University’s annual financial statements through review of the scope and results of the state auditor’s examination of the University’s annual financial statements and any other matters related to the conduct of the audit, which should be communicated to the Committee.
- Review with management and the General Counsel any legal matters (including pending litigation) that may have a material impact on the University’s financial statements and any material reports or inquiries from regulatory or governmental agencies.
- Resolve any differences between management and the state auditors regarding financial reporting.

Internal Control

- Provide oversight of the University’s internal control structure and management practices by considering the effectiveness of the University’s internal control system, including information technology security and control.
- Understand the scope of internal and external auditors’ review of internal controls over financial reporting.
- Review management’s risk assessment and the University’s Code of Conduct.
- Ensure that procedures exist for the receipt, retention, and treatment of complaints regarding fraud, waste, and abuse, including procedures for anonymous complaints.
- Ensure that the Code of Conduct is easy to access, widely communicated, easy to understand, includes an anonymous reporting mechanism, and is enforced.
- Ensure that the University’s conflict of interests policy is comprehensive, clearly defines the term “conflict of interests,” and contains procedures for adequately resolving and documenting potential conflicts.
- Review the University’s process for monitoring compliance with laws and regulations.

Office of Audit and Compliance

- Ensure that the Office of Audit and Compliance has direct and unrestricted access to the Chair and other Committee members.
- Review the Chief Audit and Compliance Officer’s administrative reporting relationship to assure not only that independence is fostered, but adequate resources in terms of staff and budget are provided to enable the Office of Audit and Compliance to perform its responsibilities effectively.
- Recommend to the Board the appointment, initial compensation, and other terms of employment of the Chief Audit and Compliance Officer.

AUDIT AND COMPLIANCE COMMITTEE WORK PLAN (2024 -2025)

- Review and approve the annual evaluation and compensation of the Chief Audit and Compliance Officer.
- Recommend to the Board reassignment, demotion, or dismissal of the Chief Audit and Compliance Officer.
- Review compliance with professional standards.

Internal Audit

- Review and approve the charter for the internal audit function.
- Review and approve the comprehensive annual audit plan.
- Review the results of the year's work with the Chief Audit and Compliance Officer. Changes to the plan, including management requests for unplanned assignments, should also be reviewed.
- Receive and review reports and other work prepared by the internal audit team.
- Review any difficulties encountered in the course of performing audits, including restrictions on the scope of work and access to required information.
- Review the results of external and periodic internal assessments of the quality assurance and improvement program.

Institutional Compliance

- Review of the University's process for monitoring compliance with laws, regulations, and University policies.
- Review and approve the annual institutional compliance work plan.
- Review the results of the University's compliance risk assessment process.
- Review the results of compliance work on a regular basis.
- Receive and review reports and other work prepared in conjunction with the institutional compliance efforts.

External Auditors

- Present the external auditors' conclusions to the full Board.
- Meet regularly with the external auditors to discuss any matters that the Committee or auditors deem appropriate.

Communications and Reporting

- Provide an open avenue of communication among the state auditors, the Office of Audit and Compliance, senior management, and the Board.
- Report regularly to the Board about Committee activities and issues that arise with such recommendations, as the Committee deems appropriate.
- Review and assess the adequacy of the Committee's charter annually, recommending approval of proposed changes to the Board.

**AUDIT AND COMPLIANCE COMMITTEE
WORK PLAN (2024 -2025)**

	W-2024	A-2024	F-2024	W-2025	A-2025	F-2025
KEY REPORTS AND SPECIAL FOCUS TOPICS						
❖ Title IX Program		X			X	
❖ Annual Safety Reporting (TBI & Clery)		X			X	
❖ NCAA Compliance Program			X			X
❖ Emerging Risk and Compliance Topics (as needed)						
ACTION ITEMS						
❖ Audit and Compliance Committee Charter		X		X		
❖ Internal Audit Charter		X		X		
❖ Annual Audit Plan & Risk Assessment	X			X		
❖ Institutional Compliance Work Plan	X			X		
❖ Approval of Minutes	X	X	X	X	X	X
OTHER STANDING REPORTS (Information Only)						
❖ Travel Exception Report	X	X	X	X	X	X
❖ Outstanding Audit Issues	X	X	X	X	X	X
❖ Institutional Compliance Program	X	X	X	X	X	X
❖ Management’s Risk Assessment (TFIA)	X			X		
❖ University’s Code of Conduct		X			X	
❖ Conflict of Interest (as needed)						
❖ Monthly reports and status	X	X	X	X	X	X
❖ Annual Report of Audit Plan (completed, follow-up, etc.)	X			X		
❖ Annual Evaluation of Chief Audit & Compliance Officer		X			X	
❖ Quality Assurance & Improvement Program (as needed)						
❖ State Audit - Audited Annual Financial Statements	X			X		
❖ State Audit presents Athletics Agreed-Upon Procedures	X			X		
NON-PUBLIC SESSION						
❖ External Audits (as needed)	X	X	X	X	X	X
❖ Investigations in Progress	X	X	X	X	X	X
❖ Review of Claims and Litigation (see PolicyTech BT0031)	X	X	X	X	X	X

5.5