



# 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