



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE

October 24, 2024

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 3:45 p.m. (EDT) on Thursday, October 24, 2024. 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; Lisa N. Patel (Student Trustee); 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 June 25, 2024, meeting 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 introduced Andrea Addis, as interim Executive Director of Internal Audit, following the recent departure of Amy Wilegus, who will assume the chief audit executive role at Tennessee Tech University.

Mr. Daniels stated that public safety remains a frequent agenda item due to its importance across UT campuses. Kelly Mihalik, Special Projects Investigator and Public Safety Coordinator, provided an update on the University's Clery Act compliance, including the timely submission of the annual security and fire reports. She also reported that the University is ensuring proper identification and training of Campus Security Authorities (CSAs), who are responsible for formally reporting incidents under Clery Act requirements.

A discussion followed regarding the University's ability to maintain appropriate staffing levels in campus security relative to the increasing enrollment and plans for future student growth. It was noted that security staffing needs are routinely benchmarked and assessed based on national best practices, but each campus also considers location specific factors.

Chancellor Peter Buckley, UT Health Science Center, provided an update on a tragic incident involving a medical student in Memphis, reinforcing the importance of campus safety initiatives. Chancellor Buckley also referenced collaborative efforts among higher education institutions in Memphis to address general safety concerns in coordination with city leadership.

Chief Sean Patterson presented an overview of UT Knoxville's public safety efforts. Chief Patterson detailed his professional background, including prior service with the New York City Police Department and its Emergency Services Unit, and his vision for public safety at the campus. Key highlights included:

- Staffing and Recruitment: While the department is authorized for 75 officers, current staffing stands at 68, with an emphasis on hiring only top candidates to maintain high standards.
- Specialized Units: These include Community Relations, Strategic Initiatives, Special Events, K-9 Teams, Critical Incident Response, and Motorcycle Units. UT Knoxville hosts over 350 special events annually, requiring significant coordination with external law enforcement partners.
- Crime Trends & Prevention Efforts: Crime rates on campus decreased by 32% (as compared to the prior calendar year) both in terms of property crimes and crimes against persons. Theft is the most prevalent issue, and officers actively engage in student education programs to mitigate these risks.

In response to questions raised by the Committee members, Chief Patterson discussed collaboration efforts with other chiefs/departments across the UT System. He also indicated that UT Knoxville is evaluating AI-driven body camera transcription and weapons detection software for real-time threat identification, including the reliability of the technology and the associated costs. Committee members requested similar safety updates as the Board travels to the other UT campus locations. Additionally, the Committee members requested crime statistics/trend analysis for all campuses at a future meeting, acknowledging that safety dynamics will differ by location.

Research Security Compliance

Dr. Sarah Pruett, Executive Director of Institutional Compliance, provided an overview of evolving federal and state regulations impacting research institutions. Dr. Pruett highlighted:

- Historical Context: Research openness has long been guided by National Security Decision Directive 189 (1985) but concerns over foreign influence and intellectual property risks have led to new requirements, including National Security Presidential Memorandum 33 (NSPM-33) and additional mandates through the CHIPS and Science Act of 2022¹ and the White House Office of Science and Technology Policy (OSTP).²
- Compliance Framework: UT campuses exceeding \$50 million in federal research funding must implement a formal research security program, addressing conflict of interest disclosures, international travel security, cybersecurity, export controls, and research security training
- Risk Mitigation: A strong compliance posture is necessary to avoid jeopardizing federal funding, reputational harm, and financial/legal penalties.

Board Policy on Research Security

Ryan Stinnett, General Counsel, presented a new policy on research security in response to a Tennessee state law, which requires all public universities to formalize research security measures by January 1, 2025. The proposed Board policy includes:

1. Designation of a Chief Research Security Officer by the University President;
2. Campus-level Research Security Officers appointed by each Chancellor;
3. Formation of a University Research Security Council to oversee compliance; and
4. Development of a Research Security Program, including policies, training, and internal monitoring.

Upon motion duly made and seconded, the Committee approved a recommendation that the Board of Trustees adopt the Resolution approving the Policy on Research Security, as presented in the meeting materials (Tab 3.1). A progress update will be shared with the Committee at the February Board meeting, with an implementation report to be completed in advance of the reporting deadline of July 1, 2025.

¹ *Creating Helpful Incentives to Produce Semiconductors for America Act, August 9, 2022.*

² *Memorandum on Guidelines for Research Security Programs at Covered Institutions, July 9, 2024.*

Board Policy on Settlement of Claims and Litigation

Discussion on the proposed Board Policy on Settlement of Claims and Litigation was deferred. The Office of General Counsel will review feedback from the Board members and revise the policy for consideration by the Committee at a future meeting.

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 5.5). 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 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 – Information Items

- 2024 Audit Plan Update
- Institutional Compliance Program - Update
- Outstanding Audit Issues
- Travel Exception Report
- 2024-2025 Audit & Compliance Committee Work Plan