THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE
June 29, 2026

The Audit and Compliance Committee of The University of Tennessee Board of Trustees met at 3:30 p.m. (CDT) on Monday, June 29, 2026. The meeting was held in the Gault Fine Arts Building at the University of Tennessee Southern in Pulaski, Tennessee.

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

Other Trustees Present: Hon. William E. Haslam; Christopher L. Patterson; William C. (Bill) Rhodes III; David Wade; David N. Watson; and Jamie R. Woodson.

University Administration: President Randy Boyd; Brian Daniels, Chief Audit and Compliance Officer; David Miller, Senior Vice President and Chief Financial Officer; Cynthia C. Moore, Board Secretary and Special Counsel; C. Ryan Stinnett, General Counsel; Chancellor Melinda Arnold (UT Southern); Chancellor Lori Mann Bruce (UT Chattanooga); Chancellor Peter Buckley (UT Health Science Center); Chancellor Yancy Freeman (UT Martin); and Chancellor Donde Plowman (UT Knoxville). Additional members of the UT senior leadership and staff were also in attendance.

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 Committee Chair

Committee Chair Jenkins called the meeting to order and welcomed those in attendance. He noted that the Committee had a substantial agenda and advised that, in the interest of managing the meeting efficiently, he intended to take the Consent Agenda before consideration of the proposed litigation settlement.

Approval of Minutes

Committee Chair Jenkins called for any changes to the minutes of the prior meeting. Hearing none, the minutes were accepted as presented (Tab 1 of the meeting materials).

Public Safety Statistics Update

Mr. Daniels introduced the annual public safety statistics update, developed in response to recommendations from the University's 2019 sunset audit. Kelly Mihalik, Special Projects Investigator and Public Safety Manager for the UT System, reviewed crime data

submitted to the Tennessee Bureau of Investigation (TBI). She explained that the College and University Security Information Act requires Tennessee colleges and universities to report annual statistics directly to the TBI for crimes occurring on campus and in student housing.

Ms. Mihalik reported that campus crime statewide declined approximately 9% in 2025, including decreases of approximately 4% in drug and narcotics offenses, 7% in assaults, and 24% in aggravated assaults.

She reviewed three-year trends across University campuses for theft, vandalism, drug and narcotics offenses, assaultive offenses, and weapons violations. She noted that the data includes offenses involving nonaffiliated individuals and, in some cases, reflect proactive law-enforcement activity beyond the immediate campus population.

At UT Knoxville, for example, Ms. Mihalik reported that 48 aggravated assaultive offenses involved nonaffiliated individuals. Of the 315 reported drug and narcotics violations, 280—approximately 89%—involved individuals outside the UT campus community. She explained that these violations arose from 229 separate incidents because TBI reporting requires each applicable offense within an incident to be counted separately. Administration also discussed proactive policing by the UT Knoxville Police Department, including activity beyond the immediate campus boundaries, and reported a 94% clearance rate for drug and narcotics violations.

The Committee compared UT campus crime rates with those of Tennessee's Locally Governed Institutions and statewide rates. Administration noted that the statewide comparison provides useful context because rates for the reported categories were substantially lower on UT campuses than among Tennessee's general population.

The Committee emphasized the value of distinguishing incidents involving members of the University community from those involving nonaffiliated individuals to provide clearer insight into campus safety trends and inform continued safety efforts.

UT Southern Public Safety Update

Ms. Mihalik presented an update on safety and security at UT Southern. She reviewed the use of approximately $4.2 million in state higher education safety grant funds for improvements including lighting, electronic access controls and locks, cameras, backup power, fiber infrastructure, and other safety equipment. Ms. Mihalik reported that the grant project was substantially complete and that the investments had significantly strengthened UT Southern's safety infrastructure.

Chancellor Arnold described UT Southern's broader safety strategy. She also discussed the planned closure and transfer of a portion of Madison Street to the University

beginning in fall 2026. She explained that the change is expected to reduce vehicle traffic through the center of campus, improve pedestrian safety, and strengthen the University's ability to manage access, events, and emergency response.

Internal Audit AI Update

Mr. Daniels introduced the artificial intelligence (AI) update in response to discussion at the Committee's prior meeting regarding how the University is using AI and how Internal Audit may leverage the technology to improve its work. Dan Harder, Chief Academic Technology Officer and Deputy Chief Information Officer, provided an overview of the University's approach to AI, including emerging cybersecurity risks, governance, and efforts to prepare students, faculty, and staff to use AI effectively.

Mr. Harder explained that the increasing capabilities and availability of AI tools have heightened cybersecurity risks, including the ability of threat actors to identify and exploit vulnerabilities more rapidly. He described the University's efforts to address these risks through its security operations center, collaboration among campus information technology leaders, enhanced vendor risk assessments, and the use of AI-enabled cybersecurity tools. At the same time, the University is seeking to promote responsible use of AI and strengthen AI literacy and proficiency among students, faculty, and staff.

As part of these efforts, the University has deployed the UT AI Hub, an enterprise platform through which authorized users can access approved AI models using their University credentials. Mr. Harder described the platform as a private, protected environment intended to permit appropriate use of University data without that information being used to train the underlying AI models. He emphasized that AI governance will require continued attention and adaptation as the technology develops rapidly.

Mr. Daniels then discussed AI from the Internal Audit perspective. He identified two primary areas of focus: using AI to increase the efficiency and reach of audit activities and providing assurance regarding the University's governance and use of AI. He emphasized that, while AI may enable auditors to analyze more information and perform work more efficiently, professional judgment and human review remain essential.

Committee discussion included the potential for AI to expand audit testing beyond traditional sampling and assist with activities such as contract review and analysis of larger populations of transactions. Mr. Daniels indicated that Internal Audit would continue evaluating these applications in collaboration with University information technology leadership.

NCAA Compliance Update

Mr. Daniels introduced the annual athletics compliance report. General Counsel Ryan Stinnett explained that Board policy requires each chancellor with a National Collegiate Athletic Association (NCAA) athletics program to report annually to the Committee, through the General Counsel, regarding the adequacy of the institution's athletics compliance function.

Mr. Stinnett reviewed the four areas required by Board policy: athletics compliance reporting structures; processes for reporting and investigating alleged NCAA violations; compliance staffing relative to peer institutions; and NCAA violations during the prior year. He reported that the compliance reporting structures and investigative processes at the University's NCAA campuses are appropriate and consistent with best practices, including reporting avenues outside the athletics chain of command. He also reported that compliance staffing is consistent with peers and noted that UT Martin added a second full-time compliance employee.

Mr. Stinnett further reported that the violations identified during the prior year were Level III violations, the NCAA's lowest tier, and that the campuses' processes had functioned as intended through self-identification, self-reporting, and appropriate corrective action. He noted the close working relationship between campus athletics compliance personnel and the Office of General Counsel.

Brandie Paul, Vice Chancellor and Director of Athletics for UT Southern, provided a brief overview of UT Southern's membership in the National Association of Intercollegiate Athletics (NAIA) and compared selected aspects of the NAIA model with the NCAA model, including governance, recruiting, scholarships, compliance staffing, institutional size, and student-athlete participation. She also described planned organizational changes intended to strengthen athletics operations and compliance at UT Southern.

Consent Agenda

At the discretion of Committee Chair Jenkins, the Committee then considered the Consent Agenda before the proposed litigation settlement. The Consent Agenda consisted of informational items included in Tab 7 of the meeting materials: Research Security - Implementation Report; Internal Audit - Quality Assessment Review - Self-Assessment; 2026 System Title IX Report; 2026 Audit Plan Update; Outstanding Audit Issues; Institutional Compliance Update; and Travel Exception Report.

At the Chair's request, Mr. Daniels commented on the Internal Audit Quality Assessment Review. He explained that an external assessment of the internal audit function is required every five years and that the department had completed its self-assessment. An independent validation by representatives from peer higher education internal audit

functions is expected in the fall, after which the results will be brought back to the Committee. No other Consent Agenda item was removed for discussion, and no vote was required on the informational items.

Proposed Litigation Settlement

Committee Chair Jenkins stated that one proposed litigation settlement had been referred to the Committee and listed on the agenda and that a second proposed settlement had subsequently been referred to the Committee for consideration.

Executive Session

The Committee recessed into a nonpublic executive session pursuant to Tennessee Code Annotated § 4-35-108 to review audits, investigations, litigation, items not subject to public inspection under state law, and other matters designated confidential or privileged by law. The Chair announced that the Committee would reconvene in public session to consider any matter requiring action.

Upon reconvening in public session, the Secretary and Special Counsel called the roll and confirmed the presence of a quorum.

Michael Fitzgerald, Deputy General Counsel – Litigation and Employment, requested Committee approval of a proposed settlement of a lawsuit between the University and Pharma Conference Education, Inc. He explained that the parties entered into a written agreement in July 2016, under which the company would produce pharmaceutical-related conferences for the University. The agreement had a five-year term with an automatic five-year renewal unless either party gave one year's notice of termination. A dispute arose concerning the parties' respective responsibilities, and the University terminated the agreement in January 2017. The company subsequently asserted a breach of contract claim seeking approximately $2.4 million in damages.

Mr. Fitzgerald reported that, after years of litigation and mediation in December 2025, the parties reached a tentative settlement in the amount of $700,000. He reviewed Board of Trustees Policy BT0031 - Policy on Settlement of Claims and Litigation, explaining that settlements exceeding $250,000 require approval by the applicable campus chancellor, the Chief Financial Officer, the President, and either the Executive Committee or the Audit and Compliance Committee, as determined by the Board Chair. He stated that the proposed settlement had been approved by UT Health Science Center Chancellor Peter Buckley, Senior Vice President and Chief Financial Officer David Miller, and President Randy Boyd. He further stated that the Office of General Counsel had approved the settlement agreement as to form and legality, subject to the required University approval, and that approval by state officials, including the Attorney General and Governor, would also be required.

Mr. Fitzgerald recommended approval of the proposed settlement and requested authorization for the appropriate University officials to execute the settlement agreement and any additional documents necessary to effectuate the settlement. Upon motion duly made and seconded, the Committee approved the proposed settlement with Pharma Conference Education, Inc. in the amount of $700,000, as set forth in the resolution included at Tab 6 of the meeting materials.

Other Business

Committee Chair Jenkins advised that an additional proposed settlement involving a former UT Knoxville faculty member had not appeared on the published agenda. In accordance with the Bylaws, the Committee considered whether to take up the item as other business. Board Chair Compton recused himself from the vote. Upon motion duly made and seconded, the Committee, by the required affirmative vote, agreed to consider the additional settlement proposal.

Mr. Fitzgerald requested that the Committee authorize the appropriate University officials to approve and effectuate the proposed settlement of litigation filed by Tamar Shirinian against the University, Chancellor Donde Plowman, President Randy Boyd, and Dr. Charles Noble. He reported that the parties had negotiated a tentative settlement providing for no reinstatement and payment of $1.9 million, subject to approval by the Board of Trustees and required state officials, including the Attorney General and Governor. Mr. Fitzgerald requested authorization for the appropriate University officials to execute all documents needed to finalize the settlement.

In response to a question raised by Committee Chair Jenkins, Mr. Fitzgerald confirmed for the record that the Office of General Counsel recommended approval of both proposed settlements. The Secretary and Special Counsel noted that the resolution for the proposed Shirinian settlement, although not included in the published meeting materials, had been provided in writing to Committee members before the vote.

Upon motion duly made and seconded, the Committee, acting pursuant to authority granted by Board of Trustees Policy BT0031 - Policy on Settlement of Claims and Litigation, approved the recommended resolution of the litigation with Tamar Shirinian in the amount of $1,900,000, subject to the execution of a written and executed settlement agreement and mutual release (the "Settlement Agreement") as approved by the Office of General Counsel and state approving authorities. As a condition of the Settlement Agreement, Dr. Shirinian will agree that she will not return to employment with the University at any time in the future. The Committee authorized the Senior Vice President and Chief Financial Officer to execute the Settlement Agreement and any ancillary documents necessary to effectuate the Settlement Agreement. Board Chair Compton abstained from the vote.

Closing Remarks and Adjournment

Before adjournment, Board Chair Compton stated that continued litigation would require significant time, attention, and financial resources that would be better directed toward advancing the University's mission, vision, and values. On behalf of the Board of Trustees, he also expressed confidence in and support for President Boyd and Chancellor Plowman and thanked them for their leadership of the UT System and UT Knoxville, respectively.

There being no further business to come before the Committee, Committee Chair Jenkins adjourned the meeting.

Respectfully Submitted,

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