



**THE UNIVERSITY
OF VERMONT**

UVM

Burlington, Vermont

CHIEF INTERNAL AUDITOR



LEADERSHIP PROFILE
September 2009

WITT / KIEFFER

THE OPPORTUNITY



The University of Vermont and State Agricultural College (UVM), one of the nation's premier small research universities, invites nominations and expressions of interest in the position of Chief Internal Auditor.

Founded in 1791 as a private institution built around liberal arts education, UVM today combines the close-knit faculty-student relationships most commonly found in a small liberal arts college with the energy and resources of a world-class research institution. The University's 1,300 faculty members are accomplished teacher-scholars who offer an exceptional learning experience to the diverse student body of 10,400 undergraduates, 1,500 graduate students and 460 medical students. Consistently ranked among the nation's top 50 public universities, *U.S. News & World Report* recently named UVM 8th among national universities on its list of *Top Up-and-Coming Schools* for 2010. Located in Burlington, Vermont (perennially voted one of America's most exciting small cities); the campus enjoys Adirondack and Green Mountain vistas from its setting on the scenic shores of Lake Champlain. The University is steeped in the traditions and values of Vermont: practicality, environmental stewardship, service, social justice and respect for individuality.

The University seeks a seasoned financial leader with exceptional analytical, communication, and interpersonal skills and a commitment to the highest standards for personal and professional achievement, integrity, and ethics. Along with demonstrated auditing skills and experience, the CIA should possess a clear understanding of issues relating to business risk and be familiar with the federal sponsored research environment. A commitment to service and collaborative, team-based management is essential. The successful candidate will possess strong organizational and proven management skills as well as the ability to provide leadership in a decentralized, multi-functional business environment. The ideal candidate will have six to eight years senior business or comprehensive internal audit experience, preferably in a higher education, government, service related or academic medical environment. A Master's degree in business, accounting or related field is necessary; a CPA licensure is highly desirable.

The Chief Internal Auditor (CIA) reports directly to the Audit Committee, through the Audit Committee Chair, with a dotted line reporting relationship to the President. The CIA will serve as a key member of the senior management team, providing independent, objective assurance and advice on issues of risk management, internal control, and accountability. The CIA will be responsible for the operation and supervision of the Audit Services department, providing leadership and oversight to the internal audit function, including the hiring and professional development of staff. The CIA will be a positive and proactive resource providing internal consulting and supporting audit activity that adds value to the University by improving opportunities to achieve strategic objectives, assessing operational systems and controls, and identifying improvements with significant emphasis on reducing risk and furthering compliance with legal and regulatory requirements.

Information regarding making nominations or applications for this position may be found in the section entitled "Procedure for Candidacy" near the conclusion of this document.

THE UNIVERSITY OF VERMONT: AN OVERVIEW

HISTORY



The University of Vermont was chartered in 1791, the fifth New England college, established after Harvard, Yale, Dartmouth, and Brown. Ira Allen, brother of Revolutionary War hero Ethan Allen and a central figure in Vermont's early economic and social development, led the drive to charter a state university and locate it in Burlington and is credited with founding the University. The University is popularly called UVM, a derivation of its Latin name, Universitas Viridis Montis, the University of the Green Mountains.

The new University's charter explicitly declared support for freedom of religion, making it the nation's first institution of higher learning to take such a public stance. This tradition of openness continued in 1871 when the University defied custom and admitted two women as students. Four years later, the school's Phi Beta Kappa chapter became the first honor society in the nation to admit women. Two years after that, in 1877, the society became the nation's first to admit African-American students.

In 1864, following the lead of Vermont U.S. Senator Justin Smith Morrill, whose legislation established Morrill land-grant universities across the country, Vermont established a land-grant college and provided the first significant, direct public support. In 1865, the new college merged with the older university to form the University of Vermont and State Agricultural College. By the end of the 19th century, the state added support for the University's medical school. In 1955, the legislature reorganized the University as an "instrumentality" of the state, adding state-appointed seats to the Board of Trustees and creating the first annual general state appropriation in the University's history. The 1955 reorganization also mandated that the University provide reduced in-state undergraduate tuition in exchange for state support. Today, the University blends the traditions of both a private and public university, drawing less than nine percent of its operating budget from the State of Vermont.

ADMINISTRATION AND GOVERNANCE

The University of Vermont's unique combination of elements of both private and public institutions is reflected in the makeup of its Board of Trustees. The Board, which has full legal responsibility and authority for the University, consists of 25 members: nine legislative; nine self-perpetuating; three gubernatorial; two students; and two ex-officio members, the Governor of Vermont and the President of the University. The Trustees set and approve policies, budgets and strategic planning, award honorary degrees and appoint the President of the University. The administration, led by the President and the Provost and Senior Vice President, share responsibility in managing the University's academic affairs, with the collaboration of the Faculty Senate, which establishes academic policies. The Staff Council works with the administration on issues and policies that affect university staff.

THE PRESIDENT



Daniel Mark Fogel became the 25th president of the University of Vermont on July 1, 2002, also assuming a tenured appointment as professor of English.

Before coming to the University of Vermont, Dr. Fogel was Executive Vice Chancellor and Provost at Louisiana State University, where he spent 26 years, rising steadily through the academic and administrative ranks. At LSU, Fogel led an extensive strategic planning effort that entailed identification of priority programs and allocations to those programs of some \$20 million between 1999 and 2001. He also spearheaded the University's diversity

initiatives.

Dr. Fogel earned a B.A. degree magna cum laude in English in 1969, an M.F.A. in creative writing in 1974, and a Ph.D. in English in 1976, all from Cornell University. Since joining the UVM faculty, he has continued to teach. (A full biography of President Fogel may be found at <http://www.uvm.edu/president/?Page=biography/fogelbio.html>.)

STRATEGIC PLAN 2009 - 2013: *SUSTAINING THE ADVANCE*

From the beginning of his presidency, President Fogel has emphasized his commitment to move the institution forward and his belief that the University of Vermont is well positioned to build upon its complementary strengths as a flagship public research university and the commitment to undergraduate education characterizing an excellent private college.

During his first years in office, President Fogel worked with the University community to advance the institution on many fronts. The Board of Trustees unanimously affirmed the President's vision for the University of Vermont in May 2004 when it endorsed the 10-year strategic financial plan underlying the vision. Among the initiatives to strengthen the academic and financial foundations of the University, the vision for the future detailed growth in undergraduate and graduate enrollments, significant new facilities and renovations, and expansion of research.

In 2009, six years into implementation of the plan, signs of transformation and progress are evident throughout the University. The new University-wide Honors College, key to attracting the nation's very best students to UVM, graduated its first full cohort in May 2008. The Honors College is housed in the newly constructed 800-bed University Heights Residential Learning Complex, a facility that has received LEED Gold Certification. So has the new Dudley H. Davis Student Center, the nation's first student union to be certified at the Gold level by the U.S. Green Building Council. In 2007, UVM successfully completed The Campaign for the University of Vermont, coming in \$28 million above the \$250 million goal, which was focused on funding for student scholarships and endowed faculty positions. The University has dramatically increased its grant and contract awards, created new interdisciplinary undergraduate and graduate degree programs, and boasts a Medical College ranked 7th nationally by *U.S. News & World Report* in Primary Care.

Since embarking on the plan, enrollment numbers have annually met or exceeded targets while also increasing the quality and diversity of the pools of applicants and those who ultimately enroll at the University. Applications received in spring 2009 from students hoping to join UVM's Class of 2013 number 22,366, nearly triple the number received at the beginning of the decade.

Applications from prospective students who are African American, Asian American, Latino, or Native American have grown from just over 870 to 2,222 since 2004 alone.

The University's recent successes are seen as only the beginning. Its achievements have created even higher expectations for the future, a future in which increasingly intense competition is anticipated. In recognition of the continuity and coherence of their past planning documents and looking ahead to continued success, the University of Vermont community has embraced a new strategic plan for 2009 – 2013, *SUSTAINING THE ADVANCE*, which reaffirms the core values of the vision and mission that have guided the institution in recent years. To realize its vision to be among the nation's premier small research universities, UVM has identified the following five goals and the strategies to address them:

- *Diversity*: Build a diverse and globally aware university community sustained by an inclusive, supportive, and just campus climate.
- *Academic Programs*: Increase the quality and stature of academic programs and align undergraduate and graduate education with institutional priorities.
- *Scholarship*: Focus and strengthen research, scholarship, and the creative arts, and develop outstanding graduate programs that support the creation and sharing of knowledge.
- *Student Experience*: Provide a distinctive university experience that prepares students for success as accountable leaders in the 21st century.
- *Institutional Efficacy*: As an institution, model the highest standard of ethical conduct, accountability and best practice, public service, and strong commitment to lifelong learning.

See http://www.uvm.edu/president/?Page=strategicplan2009_2013.html to view the full strategic plan.

ACADEMIC AFFAIRS

The University of Vermont provides a rich environment for teaching, research, and scholarship in many realms of human inquiry, achieved in large measure through a distinguished faculty of accomplished teacher-scholars who enjoy national and international reputations in their fields. More than 97 undergraduate majors, 54 master's programs, 14 post-baccalaureate and master's degrees, and 22 doctoral degrees including a medical degree are offered at UVM. With about 10,400 undergraduates, 1,500 graduate students, 460 medical students, over 1,000 non-degree students, more than 1,000 full-time faculty, and 2,500 staff, UVM is the nation's smallest land grant institution with a medical school. It is the University's relatively small size that enables it to provide such exceptional education on a human scale.

The University comprises the Colleges of Agriculture and Life Sciences, Arts and Sciences, Education and Social Services, Engineering and Mathematical Sciences, Medicine, and Nursing and Health Sciences; the Rubenstein School of Environment and Natural Resources and the School of Business Administration; the Honors College; the Graduate College; the University of Vermont Extension; the Vermont Agricultural Experiment Station; a Division of Continuing Education; and the UVM Libraries.

FINANCES

The University's FY 2010 base budget of \$579 million is supported by state appropriations (7 percent), net tuition revenues (30 percent), restricted funds (28 percent), and monies from all other sources (35 percent). The University has an endowment of \$269 million, making it high among public institutions on a per student basis, nevertheless lagging its private peers.

UVM is an institution with sound fiscal foundations, significant reserves, good credit and an endowment of several hundred million dollars, even after recent market declines. Nevertheless, in this uncertain economic climate, the University has had to deal with gaps between projected revenues and expenditures. The University's strategy to close the gaps includes phasing in reductions in expenditures through cuts in the base budget fund this year and in fiscal year 2011, and using revenue enhancements and draws on one-time funds from reserves to keep the reductions as low as possible each year. There is a budget shortfall of nearly \$9 million for FY 2010 to be covered by supplemental state appropriation of \$5 million and use of internal one-time funds. A similar budget gap of about \$9 million will need to be addressed as part of the creation of the FY 2011 budget which is now being built. While the University is making some structural changes in budget policies resulting in short-term budgetary gaps, its position as a tuition financed institution means that neither the pressure of public funding nor the volatility of endowment investment markets have had a material adverse impact on the University's financial stability.

More information about the University of Vermont is available at www.uvm.edu.

CAMPUS AND COMMUNITY

The UVM campus includes 460 acres located in Burlington, Vermont. Students from 47 states and 20 foreign countries live in 39 residence halls on campus and have access to 12 dining facilities, convenience stores and a cyber café. There are more than 100 student organizations, including a nationally recognized debate team, student-run newspaper, radio station, T.V. station, and many more academic, cultural, and service clubs. In addition, there are 18 NCAA Division I athletic teams and dozens of club sports, some of which engage in intercollegiate competition. Off-campus grounds include one research park, four research farms, nine natural areas, including the summit of Mount Mansfield; and, on Burlington's waterfront, the Rubenstein Ecosystem Science Laboratory in the Leahy ECHO Center for Lake Champlain.



A comfortable but cosmopolitan city known and revered for its dynamic and stimulating cultural scene, and vibrant and diverse social life, Burlington is the ideal location for a major university. The city's picturesque streets are lined with bookstores, boutiques, clubs, and cafés. As Vermont's largest city, Burlington has a population of 40,000 and it includes 140,000 people in its greater metropolitan area.



The city and the University of Vermont campus are set on the sparkling shoreline of Lake Champlain, with views of the Adirondacks and the Green Mountains. Numerous ski resorts, including Bolton Valley, Stowe, Sugarbush, Mad River Glen and Smuggler's Notch, are just a 25 to 60-minute drive away. Burlington has been named a top city for outside activities, the arts, safety, and overall quality of life by *Outside* and *Traveler* magazines, the *New York Times*, A&E, and other national media.

Two hundred miles northwest of Boston, 285 miles north of New York City and just 100 miles southeast of Montreal, Burlington offers convenient air service from Burlington International Airport, which is just a 10-minute ride from the UVM campus. Nonstop flights to major hubs, including Boston, Chicago, Cleveland, Philadelphia, Detroit, Atlanta, Washington (DC), and New York City, are provided by seven major airlines.

More detailed information on Burlington and the surrounding area can be found at the city's website (www.ci.burlington.vt.us/) and at www.vermont.org.

THE ROLE OF THE CHIEF INTERNAL AUDITOR

The Chief Internal Auditor serves as a key partner and internal consultant to the University's senior management and Board of Trustees by providing independent and objective analyses, assessment and advice to assist in the ethical, effective and efficient fulfillment of their responsibilities. Reporting directly to the Audit Committee, through the Audit Committee Chair, with a dotted line

report to the President, the CIA will have responsibility for planning, implementing and administering a comprehensive internal audit program, that will abide by the Institute of Internal Auditors *Standards of Professional Practice of Internal Auditing* and follow the Code of Ethics, and to:

- Develop and communicate an annual internal risk-based audit plan that establishes priorities of internal audit activity consistent with the University's goals and that meets or exceeds the Institute of Internal Auditors *Standards for the Professional Practice of Internal Auditing* and Code of Ethics.
- Evaluate the design, implementation and effectiveness of institutional ethics-related programs, objectives and activities and the processes for promoting and communicating ethics, values, and internal control procedures to all levels of management.
- Develop and oversee internal auditing engagements for assurance and consulting services based on objectives, risks, adequacy and effectiveness of the activity's risk management and control systems.
- Keep apprised of all audit activity on campus, which includes external audits and regulatory audits ensuring coordination of adequate auditing resources as well as reporting regulatory auditing outcomes to the Audit Committee. Manage and oversee the use of external auditing resources (consulting or specialized firms) to perform or assist in performing internal audits.
- Ensure internal audit resources are appropriate and effectively deployed. Establish policies and procedures to guide internal audit activities. Maintain a professional audit staff with the knowledge, skills and experience needed to effectively implement internal quality assurance and improvement programs based on best practices, including continuing education of internal audit personnel.
- Review and evaluate the effectiveness and efficiency of management's implementation of an enterprise-wide risk management system and the University's system of internal controls, including assessment of relative risk exposure and effectiveness of controls encompassing the University's governance, operations and information systems, the reliability and integrity of financial and operational information, the safeguarding of assets, and compliance with laws, regulations and contracts.
- Investigate allegations of financial misconduct and, when appropriate, violations of the Code of Business Conduct.
- Provide regular reports to the Audit Committee summarizing results of internal audit activities.

CHALLENGES AND OPPORTUNITIES FOR LEADERSHIP

The University of Vermont seeks a Chief Internal Auditor who can support and sustain innovative approaches to the internal audit function by acting as a consultant, advisor and resource to the institution's management, administration and Board. The CIA must demonstrate the capacity and willingness to share knowledge, information and ideas in an inclusive, transparent and collaborative manner. The CIA will need to work collaboratively with the external auditor and determine the appropriateness of co-sourcing and outsourcing of audit services as circumstances dictate. To be truly successful in this position, the next CIA must be able to work independently and build both strong alliances and trust across the institution. The CIA will strive to:

BUILD AND PROVIDE LEADERSHIP TO THE AUDIT SERVICES TEAM

This is an exciting time to lead the University's internal audit function. The University's Board and senior management have determined that it is a priority to strengthen, revitalize and significantly enhance the role of internal audit across the institution. An example of the commitment is a decision by the Audit Committee to adopt COSO standards to assess and improve internal control systems. Under-resourced in the past, there is now a strong commitment to provide the support necessary to define, develop and build a first-rate, comprehensive internal audit services program based on best practices, held to the highest professional standards and intended to keep UVM at the forefront in comparison to the audit functions at peer institutions. To support this aim, the University has identified significant additional resources to increase the number of staff reporting to the CIA as well as expanded resources to support operations and newly renovated, centrally located office space.

The significant upgrades to internal audit function will require the leadership of a skilled and experienced audit professional with a proactive, inclusive and collaborative interpersonal style. A key role and responsibility of the CIA will be to define the scope and breadth of the internal audit function and to act as an advocate for the department and its resources. To achieve the department's successful transformation, the next CIA will review and assess the infrastructure and policies in place, establish new policies and procedures as needed to support a high-level comprehensive internal audit function, and hire and develop talented professional staff to implement the program. Most importantly, the new CIA must possess a broad and strategic institutional perspective in order to work effectively with the Board and senior leadership and to design, implement and manage a high-performance, multi-year audit plan that focuses on risk assessment and adding value to the University in meeting its needs.

MONITOR AND AUDIT THE ENTERPRISE-WIDE RISK ASSESSMENT PROCESS

A key challenge for the CIA will be to create a system for monitoring and auditing the University's enterprise-wide risk assessment and management process that includes both financial and operational systems and controls. It is critical that the CIA fully understand and take into consideration the broad array of risk sensitive areas that the University faces, including name and reputation as well as risks associated with areas such as finance, investment, IT, compliance, the medical school and sponsored research environment. The CIA must be adept at identifying risks and reviewing management's policies and internal control procedures to help minimize the

institution's exposure to risk. It is anticipated that the CIA will bring to the attention of management risks that need to be addressed and then develop an agenda and multi-year audit plan to manage and periodically review enterprise risk activities. As a strategic business leader with a keen understanding of risk exposure, the CIA will play a critical role in communicating the importance of routinely assessing risk as part of the decision-making process and its impact on the overall success of the institution to other campus leaders.

CREATE AND IMPLEMENT A CULTURE OF ACCOUNTABILITY

The University of Vermont is a complex and highly decentralized organization. Individual business units across the institution have, in the past, been largely autonomous. Since the recent PeopleSoft conversion, the University community's understanding of the importance of uniform internal controls and proper procedures has improved significantly. The culture is beginning to change and, although adherence across departments remains uneven, significant progress has been made. Intensive training and education to ensure that staff fully understands the policies and procedures and how to implement them properly as they carry out their work remains a prime area in need of additional attention. The new CIA will play a central role in advising and consulting in the establishment and implementation of the written policies and internal controls needed to move the culture to a higher level of consistent conformity with University procedures. The CIA and the audit services staff must place a strong focus on recurrent education and training in order to truly effect the cultural changes necessary. Most importantly, Internal Audit will clearly and consistently communicate that lax adherence to policies will not be tolerated. Regular and consistent monitoring by audit, backed by management holding individuals accountable for lack of compliance, will be necessary to successfully and permanently change the status quo.

It is anticipated that the new CIA will work to establish an open and collegial environment throughout the audit division in an effort to encourage colleagues to view audit as a resource and take advantage of the knowledge and expertise that a senior audit professional and well-trained staff can provide. A CIA who can act as an internal advisor to a full range of business, risk, legal and ethical issues and offer wise, impartial and sound judgment as an independent observer with the best interests of the institution in mind will provide a sought after and an invaluable service to the University.

SUPPORT AND PARTNER WITH AN INDEPENDENT COMPLIANCE FUNCTION

UVM has recently determined that its audit and compliance needs can best be met through separate audit and compliance functions. A new role, chief compliance officer, has been created and will report directly to the general counsel with a dotted line to the Audit Committee. In the past, regular and consistent training has been inadequate at all levels across the University. To address this, it is anticipated that the new chief compliance officer will focus heavily on regulatory issues, policy development, and the education and training of staff to increase awareness regarding policies, procedures and legal requirements relevant to their work. The CIA and the chief compliance officer will work closely and collaboratively with each other and with other key campus leaders to ensure that quality programs are established to adequately train staff and to monitor both the program's effectiveness and exceptions.

FOCUS ON COMMUNICATION AND SERVICE

The concept of the audit function adding value to the institution is of prime importance to the University's Board and senior management. The CIA plays an important role in helping people to understand the importance of the institution's policies and procedures, their benefit to the institution and devising the least intrusive ways to implement them. The ability to communicate effectively with constituents across the institution is one of the most critical skills the CIA will possess. The willingness to encourage inquiries and offer service to the full array of departments is paramount. UVM will benefit greatly from a CIA whose communication and interpersonal style is open, engaging and non-confrontational and who supports collegial and team-based management. Further, the CIA will maintain the traditional role of examining the facts and offering findings and recommendations for change.

QUALITIES AND QUALIFICATIONS OF THE CHIEF INTERNAL AUDITOR

The successful candidate will be a strong, innovative and self-assured audit professional with the credibility, stature and confidence to lead a comprehensive internal audit program in a complex and multi-faceted environment. Ideally, the CIA will have six to eight years senior business or internal audit experience, preferably in a higher education, government, service related or academic medical environment. A Master's degree in business, accounting or related field is necessary; a CPA licensure is highly desirable.

In addition the Chief Internal Auditor will possess many of the desired traits, characteristics and experiences described below:

- a strong record as a self-starter with high standards for personal integrity and ethics and professional achievement, that are beyond reproach
- the ability to work effectively with strong leaders in a collaborative, productive and non-confrontational manner
- the stature, credibility and executive presence to serve as a strategic advisor and partner to the Board and senior leadership team
- superb interpersonal and communication skills
- a collegial, proactive management style coupled with the ability to be a decisive leader while demonstrating wise, impartial and sound judgment
- strong organizational and management skills and the proven ability to create and implement a comprehensive internal audit program based on business best practices in a complex, multi-faceted organization
- a thorough understanding of the issues relating to business risk and the role of risk management to the success of an organization
- the capacity to establish trust and build effective alliances with colleagues, staff and other key constituents across the institution

- the ability to recruit, retain and develop an outstanding staff of audit professionals
- familiarity with issues relating to the federal sponsored research environment
- a commitment to service and proponent of audit as a resource
- the ability to represent the University to a broad array of internal and external constituents, including external auditors, the State Auditor and other representatives of the state and local community
- a strong and demonstrated commitment to diversity at all levels across the University

PROCEDURE FOR CANDIDACY

The search is currently underway and will continue until an appointment is made. Nominations and confidential inquiries may be directed to the Witt/Kieffer consultants assisting the University of Vermont with this search, Jane Courson at (508) 257-0109 or Mary Elizabeth Taylor at (212) 686-2676. Candidates should provide a resume, letter of application and the names and contact information of several references (who will not be contacted without permission). Electronic submissions are strongly encouraged and may be sent to UVMCIA@wittkieffer.com.

The University of Vermont is an equal opportunity and affirmative action employer, committed to achieving excellence through diversity among its students, faculty, and staff.

The material presented in this position specification should be relied on for informational purposes only. This material has been copied, compiled, or quoted in part from the University of Vermont's documents and personal interviews and is believed to be reliable. Naturally, while every effort has been made to ensure the accuracy of this information, the original source documents and factual situations govern.

[Witt/Kieffer](#) is the nation's leading executive search firm dedicated to serving education, health care, and not-for-profit communities nationwide. Our mission is to identify outstanding leadership solutions for organizations committed to improving the quality of life. Witt/Kieffer has served more than 800 colleges and universities, as well as community, cultural, and service organizations. We focus on searches for presidents/chancellors; provosts; vice presidents for advancement, finance, student affairs, enrollment management, and technology; deans; and directors of major service/academic units.