



Middle Tennessee State University Board of Trustees Audit and Compliance Committee

Tuesday, November 9, 2021

MEC Meeting Room – 2nd Floor
Miller Education Center
503 East Bell Street
Murfreesboro, Tennessee 37130



**Middle Tennessee State University
Board of Trustees
Audit and Compliance Committee**

Tuesday, November 9, 2021

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action) Tab 1

Results of External Review (Information)..... Tab 2

Quarterly Report – Results of Internal Audit Reports (Information)..... Tab 3

Closing Remarks

Adjourn Public Session

Non-Public Executive Session – Discussion of Audits/Investigations (Information)



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE: November 9, 2021

SUBJECT: **Approval of Minutes**

PRESENTER: Pete DeLay
Committee Chair

BACKGROUND INFORMATION:

The Audit and Compliance Committee met on August 24, 2021. Minutes from the meeting are provided for review and approval.

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, August 24, 2021 in the MEC Meeting Room in the Miller Education Center at Middle Tennessee State University.

Call to Order and Opening Remarks

Committee Chair Pete DeLay called the meeting to order at 11:18 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees Tom Boyd, Rick Cottle, Pete DeLay, Christine Karbowskiak, and Pam Wright. Trustee Steve Smith was not in attendance. A quorum was declared present. Also present were Trustees J.B. Baker, Darrell Freeman Sr., and Joey Jacobs.

President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Brenda Burkhart, Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

Approval of Minutes - Action

The first agenda item was approval of the minutes from the May 25, 2021 Audit and Compliance Committee meeting. Trustee Karbowskiak moved to approve the minutes from the May 25, 2021 meeting and Trustee Boyd seconded the motion. A voice vote was taken and, with all Committee

members voting “Aye,” the motion to approve the minutes from the May 25, 2021 meeting of the Audit and Compliance Committee carried unanimously.

Approval of Amendment to Rule – Action

The next item on the agenda was the approval of Amendment to Rule 0240-07-06 Title IX Compliance presented by Jeff Farrar, Associate University Counsel. The proposed revision to the rule consists of adding the definition of “Consent” to the rule, which was inadvertently omitted from the original rule. This definition is currently in Policy 29 Title IX Compliance; therefore no revision to that policy is required.

Trustee Wright moved to approve the Amendment to Rule 0240-07-06, Title IX Compliance and Trustee Karbowski seconded the motion. A roll call vote was taken and, with all Committee members voting “Aye,” the motion to approve the Amendment to Rule 0240-07-06, Title IX Compliance carried unanimously.

Rule Promulgation and Related Policy Revision – Action

The next item on the agenda was the review and approval of the Rule Promulgation and related policy revision for Cases Heard Pursuant to the Uniform Administrative Procedures Act presented by James Floyd. Revisions to Policy 110 were drafted to reflect different procedures may be applicable to cases covered under the new federal Title IX regulations and administrative law judges may be appointed by the Administrative Procedures Division of the Office of the Secretary of State. There were also minor changes in the policy related to renumbering. New rule, Rule 0240-07-08 reflects the revised version of Policy 110 as a formal rule.

Trustee Wright moved to approve the revisions to Policy 110 and to approve new Rule 0240-07-08 concerning Cases Heard Pursuant to the Uniform Administrative Procedures Act and Trustee Karbowski seconded the motion. A roll call vote was taken and, with all Committee members voting “Aye,” the motion to approve the revisions to Policy 110 and to approve new Rule 0240-07-08 concerning Cases Heard Pursuant to the Uniform Administrative Procedures Act carried unanimously.

Annual Report for Audit and Consulting Services - Action

The 2021 Annual Report for Audit and Consulting Services which includes the audit plan for fiscal year 2022 was presented by Ms. Burkhart for approval. Trustee Karbowski moved to approve the Annual Audit Plan for 2022 and Trustee Boyd seconded the motion. A voice vote was taken and, with all committee members voting "Aye," the motion to approve the Annual Audit Plan for 2022 carried unanimously.

Quarterly Report – Results of Internal Audit Reports – Information

Ms. Burkhart presented the results of two internal audit reports issued since the May 25, 2021 report of audit results to the Audit and Compliance Committee. 1) Audit of Inventories for Fiscal Year Ended June 30, 2021 which concluded the inventory counts were accurate with no reportable issues. 2) Cash Counts for Fiscal Year Ended June 30, 2021 were completed with no reportable issues. As noted in the minutes of the May 25, 2021 Audit and Compliance Committee meeting, an update on the corrective action to the Comptroller's Investigative Report concerning the use of student activity fees by two student organizations was to be provided. Management has taken corrective action to address the control deficiencies noted in the audit report including the following. 1) The Office of Student Organizations and Service reviewed all policies, guidelines and processes used to manage student activity fees resulting in revisions to the Student Activity Fee Guidelines, the Student Organization Handbook, and Policy 560 Student Organization Registration and Recognition. The revisions reflect the new processes for the management of student activity fees and also better define the financial oversight responsibilities of the organizations and advisors to the organizations. 2) The Director of Accounting Services provided training to personnel in the Division of Student Affairs responsible for reviewing invoices prior to payment approval. The training included tips and strategies for recognizing potentially fraudulent claims, discerning the legitimacy of invoices, and determining if all criteria for reimbursement or repayment from student activity fee funds has been met.

Compliance and Enterprise Risk Management Program Updates and Effectiveness - Information

As part of the University's Compliance and Enterprise Risk Management programming, Ms. Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management

(CAERM), provided updates in the following areas: 1) Records Management - The University continues to provide timely reporting of its annual Records Holding Report to the State's Records Management Division (RMD) with positive feedback from the State RMD Director. 2) Insurance Resource Database – This is a new database that allows Certificates of Insurance to be uploaded and also allows the campus to input information for review of any requests related to outside vendors for risk management purposes in collaboration with the Office of University Counsel. 3) Conflict of Interest Disclosure Form Enhancement – The Conflict of Interest (COI) Disclosure Form was converted to a dynamic disclosure form which allows for better tracking of the COI Forms. 4) Family Educational Rights and Privacy Act (FERPA) Complaint Form and Procedures – A new dynamic form was developed to enhance procedures and documentation concerning the receipt and processing of FERPA complaints by students. Ms. Stephens also stated that the environmental, social, and governance (ESG) compliance is a new element to compliance and risk management programming. Examples of how MTSU meets the ESG compliance activities are included in the Committee materials.

Non-Public Executive Session

The Committee adjourned the public session at 11:36 a.m. and entered non-public executive session at 11:40 a.m. to discuss risk assessment reports, audits and investigations. The non-public executive session adjourned at 11:57 a.m. The public session reconvened at 12:00 p.m. for the final agenda items.

Compliance and Enterprise Risk Management Update (continued) - Information

Ms. Gené Stephens provided updates to the Committee on the Annual Compliance Trainings Effectiveness including Family Educational Rights and Privacy Act (FERPA), Ethics, Health Insurance Portability and Accountability Act of 1996 (HIPAA), and Summer Camp Safety and Risk Management. These trainings continue to be distributed to employees annually.

Risk Assessment Reporting - Action

Ms. Gené Stephens stated that annually the university must present risk assessments and also report the risk assessments to State Audit. The risk assessments are presented to the Committee

for review and approval prior to submission to State Audit. Trustee Karbowiak moved to approve the 2021 Risk Assessment Reports and Trustee Wright seconded the motion. A voice vote was taken and, with all committee members voting “Aye”, the motion to approve the 2021 Risk Assessment Reports carried unanimously.

Closing Remarks

Dr. McPhee informed the Committee that Ms. Stephens had resigned her position with the university effective August 31. He complimented Ms. Stephens on the development of a strong office of compliance, noting her thoroughness and completeness.

Adjournment

With no further business, the Committee adjourned at 12:04 p.m.

Respectfully submitted,
Audit and Compliance Committee



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: November 9, 2021

SUBJECT: **Results of External Review**

PRESENTER: Brenda Burkhart
Chief Audit Executive

BACKGROUND INFORMATION:

**U.S. Department of Homeland Security, Federal Emergency Management
Agency Desk Monitoring Review Issued on September 9, 2021**

The Federal Emergency Management Agency (FEMA) within the U.S. Department of Homeland Security completed a desk monitoring review for the FY 2018 Fire Prevention and Safety grant. There were no monitoring findings or issues disclosed. The report concluded that the statement of work is progressing in compliance with FEMA guidelines and Federal regulations for this grant program.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: November 9, 2021

SUBJECT: **Quarterly Report – Results of
Internal Audit Reports**

PRESENTER: Brenda Burkhart
Chief Audit Executive

BACKGROUND INFORMATION:

MTSU Policy 70 Internal Audit section IX.F requires significant results of internal audit reports be presented to the Audit and Compliance Committee quarterly.

Since the last meeting of the Audit and Compliance Committee, there have been no internal audit reports issued.

The current status of the Internal Audit Plan for Fiscal Year 2022 is included for the Committee's review.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2022
as of October 20, 2021**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2021	Completed 8/6/2021	No Reportable Issues
R	FM	Cash Counts FY2021	Completed 8/5/2021	No Reportable Issues
R	GV	Audit of President's Office	In Progress	
I	SS	INV1702	In Progress	
I	AA	INV1705	In Progress	
I	AA	INV1801	In Progress	
I	AT	INV1904	In Progress	
I	SS	INV2201	In Progress	
I	FM	INV2202	Administratively Closed 10/12/2021	No Reportable Issues
I	FM	INV2203	In Progress	
P	GV	IIA - Self Assessment & QAR	In Progress	
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
I	GV	Unscheduled Investigations	Scheduled	
R	FM	Cash Counts FY2022	Scheduled	
R	FM	Year-End Inventory FY2022	Scheduled	
A	IT	Risk/Controls: PII Compliance	In Progress	
A	IT	Risk/Controls: Vendor Provided Services	Scheduled	
A	MC	Marketing & Communications	Scheduled	
A	FM	Payroll	Scheduled	
A	AA	Research Services Procedural Review	Scheduled	
A	FM	Property Management Contract Review	Scheduled	

Audit Types: A - Risk-Based (Assessed) C - Consulting F - Follow-up Review I - Investigation M - Management's Risk Assessment P - Project (Ongoing or Recurring) R - Required S - Special Request	Area = University Division AA - Academic Affairs AD - Advancement AT - Athletics FM - Financial Management GV - Governance/Executive Office IT - Information Technology MC - Marketing and Communications SS - Student Services
--	--