



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

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Tuesday, May 25, 2021  
10:00 am

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





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

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Tuesday, May 25, 2021  
10:00 am

**AGENDA**

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action) ..... Tab 1

Approval of Policy Revisions (Action) ..... Tab 2

1. Policy 25 Equal Opportunity, Affirmative Action, and Nondiscrimination

Review and Approval of Audit Committee Charter (Action) ..... Tab 3

Review and Approval of Audit Charter for the Audit Office (Action) ..... Tab 4

Report on Independence of Chief Audit Executive (Information) ..... Tab 5

Quarterly Report – Results of Internal Audit Reports (Information) ..... Tab 6

Closing Remarks

Adjourn Public Session

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

Adjourn Non-Public Executive Session





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: May 25, 2021

SUBJECT: **Approval of Minutes**

PRESENTER: Pete DeLay  
Committee Chair

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**BACKGROUND INFORMATION:**

The Audit and Compliance Committee met on March 16, 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, March 16, 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 10:39 a.m. and welcomed everyone in attendance.

**Roll Call**

The following Committee members were in attendance: Trustees Tom Boyd, Pete DeLay, Mary Martin, Steve Smith, and Pam Wright. Trustee Christine Karbowskiak participated electronically and, pursuant to T.C.A. § 8-44-108(c)(3), she confirmed that she could hear clearly and no one was present in the room with her. A quorum was declared present.

Also present were Trustees J.B. Baker and Delanie McDonald. Trustee Darrell Freeman arrived while the meeting was in progress. 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; Jeff Farrar, Associate University Counsel and Acting 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 November 10, 2020 Audit and Compliance Committee meeting. Trustee Karbowskiak moved to approve the minutes from the November 10, 2020 meeting and Trustee Wright seconded the motion. A roll call vote was taken

and, with all Committee members voting “Aye,” the motion to approve the minutes from the November 10, 2020 meeting of the Audit and Compliance Committee carried.

The next action item on the agenda, Approval of Policy Revisions was moved to the end of the agenda and the following information items were presented.

**Review of Conflict of Interest Disclosures in 2020 – Information**

Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, presented for the Committee’s information the Report of Conflict of Interest Disclosures for 2020. There were 15 cases reviewed compared to 17 cases for the prior year.

**Review of President’s Statement of Disclosure of Interests for 2021 – Information**

Ms. Burkhart presented the President’s Statement of Disclosure of Interests for 2021 for information and the Committee’s review, noting there were no changes from the disclosures made in 2020.

**Report on Compliance with Public Records Policy - Information**

Mr. Farrar presented the Report on Compliance with Public Records Policy, Policy 120. A summary of the number of records requests received in 2020 was provided for the Committee’s review. Mr. Farrar noted there were 156 total requests and records were provided in response to a majority of these requests. He also stated that denials are typically based on the confidentiality of the record under Tennessee state law or the lack of Tennessee citizenship required by policy.

**Results of External Reviews - Information**

Ms. Burkhart presented the results of five external reviews. The Office of the Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2020 on February 11, 2021. The report included unmodified opinions on the fairness of the presentation of the financial statements and contained no audit findings. The Office of the Comptroller of the Treasury released the results of the agreed-upon procedures applied to the statement of

revenues and expenses of the athletics programs for the year ended June 30, 2020 on January 13, 2021. There were no exceptions noted.

The U.S. Small Business Administration transmitted the financial examination report for the Tennessee Small Business Development Center for the 2019 program year on January 13, 2021. There were no findings requiring attention.

The Tennessee Student Assistance Corporation completed a program desk review of MTSU's state financial aid programs for the 2019-2020 award year. The report concluded, "No substantive discrepancies were identified" and the financial aid staff was congratulated "on the quality of the administration of the institution's student financial aid programs."

The Comptroller of the Treasury issued an investigative report titled "Middle Tennessee State University – Somali Students Association and Muslim Students Association" which cited deficiencies in the review process of both the Office of Student Organizations and Service and the faculty advisors for the two student organizations. Management is implementing corrective action and a follow-up report of the corrective action will be presented at the next meeting of the Audit and Compliance Committee.

#### **Quarterly Report – Results of Internal Audit Reports – Information**

Ms. Burkhart presented the results of one internal audit report issued since the November 10, 2020 report of audit results to the Audit and Compliance Committee. The Audit of the Office of the President for Fiscal Year 2020 was completed with no reportable issues.

The status of the current Internal Audit Plan for Fiscal Year 2021 was included in the meeting materials for the Committee's review.

#### **Approval of Policy Revisions – Action**

**Policy 90 Athletics Integrity and Conduct of Athletics Staff:** Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, provided an overview

of the proposed revisions which were drafted to clarify that matters covered by the University's discrimination-based investigation policies (Policies 26, 27, and 29) and matters covered by NCAA or Conference-USA rules are not subject to review under Policy 90. Also, cross-references and policy names were updated and corrected.

Trustee Martin moved to approve the proposed revisions to Policy 90, Athletic Integrity and Conduct of Athletics Staff and Trustee Karbowski seconded the motion. Dr. McPhee provided background information to the committee regarding the development of this policy and process. A roll call vote was taken and, with all Committee members voting "Aye," the motion to approve the proposed revisions to Policy 90, Athletic Integrity and Conduct of Athletics Staff carried.

**Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination:** Christy Sigler, Interim Assistant to the President for Institutional Equity and Compliance provided an overview of the proposed revisions which were drafted to reflect the adoption of MTSU Policy 29 Title IX Compliance and to update job titles and terminology.

Trustee Wright moved to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination and Trustee Karbowski seconded the motion. Following discussions regarding terminology, wording, and references included in the revised policy, Trustee Wright withdrew the motion to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination.

Trustee Boyd made a motion to postpone the approval of the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination and Trustee Smith seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to postpone the approval of the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination carried.

### **Non-Public Executive Session**

The Committee adjourned the public session at 11:08 a.m. and entered non-public executive session at 11:10 a.m. to discuss audits, investigations and litigation. The non-public executive session adjourned at 12:04 p.m.

Respectfully submitted,

Audit and Compliance Committee

DRAFT





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: May 25, 2021

SUBJECT: **Approval of Policy Revisions**

PRESENTERS: Christy Sigler  
Interim Assistant to the President for  
Institutional Equity and Compliance

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**BACKGROUND INFORMATION:**

**Policy 25 Equal Opportunity, Affirmative Action, and Nondiscrimination**

The proposed revisions are drafted to reflect the adoption of MTSU Policy 29 Title IX Compliance and to update job titles and terminology.





## 25 Equal Opportunity, Affirmative Action, and Nondiscrimination

Approved by Board of Trustees

Effective Date: ~~June 5, 2017~~ \_\_\_\_\_, 2021

Responsible Division: President

Responsible Office: Institutional Equity and Compliance

Responsible Officer: Assistant to the President for Institutional Equity and Compliance

### I. Statement of Nondiscrimination

It is the intent of Middle Tennessee State University (MTSU or University) to fully comply with the applicable provisions of federal and state civil rights laws, including, but not limited to, Executive Order 11246, as amended; the Rehabilitation Act of 1973, as amended; the Americans with Disabilities Act of 1990, as amended; the Vietnam Era Veterans Readjustment Act of 1974, as amended; the Equal Pay Act of 1963, as amended; Titles VI and VII of the Civil Rights Act of 1964, as amended; Title IX of the Educational Amendments of 1972, as amended; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; the Pregnancy Discrimination Act; the Genetic Information Nondiscrimination Act of 2008; Section 485(f) of the HEA, as amended by Section 304 of the Violence Against Women Reauthorization Act of 2013, the regulations implementing these Acts found at 34 CFR § 668.41, §668.46, and Appendix A to Subpart D of Part 668 and regulations promulgated pursuant thereto.

MTSU will promote equal opportunity for all persons without regard to race, color, religion, creed, ethnic or national origin, sex (including pregnancy), sexual orientation, gender identity/expression, disability, age (as applicable), status as a protected veteran, genetic information, and any other legally protected class. In doing so, MTSU affirms that it will not tolerate discrimination against any employee or applicant for employment and will not subject any student to discrimination or harassment under any educational program and no student shall be discriminatorily excluded from participation nor denied the benefits of any educational program on the basis of any of the protected categories listed above.

### II. Procedures to Address Claims of Discrimination or Harassment

Because different legal requirements apply to claims of discrimination and harassment, depending on the protected category claimed to have been violated, separate policies describe the different procedures applicable to claims based on particular protected categories.

- A. Allegations of discrimination and harassment based on sex (including pregnancy), sexual orientation, gender identity/expression, and sexual misconduct will be addressed pursuant to the procedures set forth in [Policies 27 Misconduct, Discrimination and Harassment Based on Sex Including Pregnancy, Sexual Orientation, and Gender Identity/Expression](#) and [29 Title IX Compliance](#).
- B. Allegations of discrimination and harassment based on categories other than sex, sexual orientation, and gender identity/expression (for example, harassment based on race or disability status) will be addressed pursuant to the procedures set forth in [Policy 26 Discrimination and Harassment based on Protected Categories other than Sex](#).

Complaints ~~alleging violations of discrimination and harassment policies~~ may be filed ~~and will be adjudicated by any current or former student, applicant for employment, or current or former employee who believes he/she has been subjected to prohibited discrimination or harassment, or who believes he/she has observed such activities taking place. Complaints against students alleging discrimination or harassment under either of these policies shall be addressed by the Office of Student Conduct pursuant to the procedures outlined in the applicable policy. Complaints against administrators, faculty, staff, contractors, or third parties alleging discrimination or harassment under either of these policies shall be addressed by the Office of Institutional Equity and Compliance (IE&C)~~ pursuant to the procedures set forth in the applicable policy.

Complaints filed with any external agency, such as the Equal Employment Opportunity Commission, the Office for Civil Rights, or the Tennessee Human Rights Commission, must be forwarded to the Office of the University Counsel once received. This office will coordinate and submit a response on behalf of the University.

### III. Statement of Policy

In accordance with the statement of nondiscrimination and letter of commitment from the President, set forth in Section II. of the Affirmative Action Plan, MTSU shall not engage in practices which would discriminate against any individual or group for reasons of race, sex, sexual orientation, gender identity/expression, age (as applicable), color, religion, creed, ethnic or national origin, disability, status as a covered veteran, or genetic information. MTSU specifically finds that diversity of students, faculty, administrators, and staff is a crucial element of the educational process and reaffirms its commitment to enhancing education through affirmative action to increase diversity at all levels.

MTSU will take affirmative action to ensure that applicants for employment and employees are treated in a nondiscriminatory manner. Such action shall include, but not be limited to:

- A. Making employment decisions which further the principle of equal opportunity and affirmative action;

- B. Recruiting, hiring, training, and promoting persons in all job titles, without regard to any of the foregoing prohibited factors;
- C. Ensuring that promotion decisions are in accord with principles of equal opportunity and affirmative action by imposing only valid requirements for job, educational, and other opportunities; and,
- D. Ensuring that all employment decisions are implemented without prohibited discrimination.

Similarly, in compliance with Title IX of the Educational Amendments of 1972, as amended, MTSU shall not, on the basis of sex, subject any student to discrimination under any educational program. No student shall be discriminatorily excluded from participation in, or denied the benefits of, any educational program on the basis of a protected status.

#### IV. Implementation

##### A. Administrative Responsibility

The President of MTSU has appointed [Office of Institutional Equity and Compliance \(IE&C\)](#) as the area responsible for developing and implementing the University's equal opportunity and affirmative action program and for ensuring fair practices in employment and education.

Pursuant to this appointment, IE&C shall:

1. Ensure that plans are prepared and administered effectively within the time frame established.
2. Promote the equal opportunity program and affirmative action plan and ensure compliance with federal, state, and local laws and statutes, and University policies.
3. Receive and investigate complaints alleging violation of federal, state, or local statutes, or University policies that provide protection from discrimination, harassment, and retaliation on the bases of race, color, religion, creed, ethnic or national origin, sex (including pregnancy), sexual orientation, gender identity/expression, disability, age (as applicable), status as a protected veteran, genetic information, and any other legally protected class.
4. Assess the effectiveness of the program and recommend improvements.
5. Ensure that affirmative action plans are developed annually, and implemented as a means of aggressively pursuing the principles of equal employment opportunity.

6. Ensure that affirmative action goals and timetables are developed to correct problem areas and situations contributing to the under-utilization, under-representation, or inequitable treatment of protected class employees.
  7. Provide positive leadership in the implementation of affirmative action programs on the campus and ensure that appropriate attention is devoted to the program in staff and faculty meetings. This shall include informing all supervisors that their performance evaluation will include an assessment of the effectiveness of their participation in the equal opportunity programs and affirmative action plan in compliance with [Policy 810 Performance Evaluation Reviews](#).
  8. Gather and report data related to the equal opportunity program and affirmative action plan.
  9. Ensure that policies and procedures are implemented to address all forms of harassment, including a procedure to receive and investigate complaints and recommend necessary action to the appropriate decision-maker ~~President~~.
  10. Develop and implement educational programs regarding all types of harassment.
- B. Supervisory Responsibility. Each Vice President and other supervisory personnel shall:
1. Disseminate this policy to the employees in the offices and operations for which he/she has immediate responsibility.
  2. Discuss this and other related policies directly with employees, to answer questions about them, to support them, and to urge support and cooperation by employees.
  3. Seek the assistance of IE&C as necessary.

## V. Plan for Affirmative Action

The affirmative action plan is designed to promote and ensure equal opportunity at MTSU. Its goal is to ensure additional efforts to recruit, employ, and promote qualified members of groups and persons formerly excluded, even where exclusion cannot be traced to particular discriminatory actions on the part of the employer. Further, it is the intent of the affirmative action plan to overcome the effects of systematic institutional forms of exclusion and discrimination, which in practice tend to perpetuate the status quo. This plan requires that MTSU determine the under-utilization of minorities-individuals of color and women, set goals and timetables for remedy of under-utilization of same, and describe plans and procedures for correcting said under-utilization of underrepresented individuals (persons of color protected by law)-minorities and women. Minorities-eople of color are defined for this purpose by the Department of Labor as ~~Native American, Asian,~~ Black/~~or~~ African American, Hispanic/Latino, Asian/Pacific Islander, American Indian/Alaskan Native and ~~or~~ two (2) or more races. ~~In addition,~~

~~for data collection purposes, provision shall be made to report the number of respondents who are Hispanic or Latino.~~

Under-utilization, for the purpose of this plan, is defined as "having fewer women or people of color minorities in a particular job than would reasonably be expected by their availability." Goals will be established considering availability and the results of the utilization analysis. The University shall adopt the whole person measure ~~straight parity or any difference measure~~ in compliance with regulations of the Office of Federal Contract Compliance Programs (OFCCP). Specifically, percentage goals will be established by EEO-6 category and job group. Goals and objectives by organizational unit shall be established to correct identifiable deficiencies. Goals by organizational unit shall refer to action-oriented efforts rather than percentage goals. Where problem areas are identified by organizational units, the affirmative action plan shall include a description of the efforts which the University has taken or will take to correct those problem areas in accordance with OFCCP requirement 41 CFR 60-2.13(d).

Under-representation, for purposes of this plan, is defined as having fewer individuals of color minorities or females in a particular section of the contractor's work force, (i.e., department, job title, etc.) than would be expected in terms of their overall representation in the contractor's work force or relevant sector of that work force.

#### Utilization Analyses

- A. An analysis of the utilization of minorities and women will be performed. This analysis will include, but not be limited to, the following:
  1. Ensuring that the EEO-6 Report is completed for all categories of employees (executive/administrative/managerial, faculty, professional/non-faculty, clerical, technical/paraprofessional, skilled crafts, service maintenance).
  2. Considering the number of women and individuals of color minorities employed by EEO-6 category and job group and the reasons for any under-utilization.
  3. Comparing, as necessary, the salaries and wages of men and women by job classification.
- B. The following factors must be considered in establishing goals:
  1. The percentage of individuals of color minorities or women with requisite skills in the reasonable recruitment area, where "reasonable recruitment area" refers to the geographical area from which the contractor usually seeks, or reasonably could seek, workers to fill the positions in question; and
  2. The percentage of individuals of color minorities or women among those promotable, transferable, and trainable within the contractor's organization, where

"trainable" refers to employees who could, with appropriate training, become promotable or transferable within the AAP year.

- C. In compliance with Title 41, Chapter 60 of the Code of Federal Regulations, MTSU will undertake one (1) or both of the following steps:
1. Determine which job groups are "feeder pools" for the job group in question. The feeder pools are job groups from which individuals are promoted.
  2. Ascertain which employees could be promoted or transferred with appropriate training.
- D. Distribution of Affirmative Action Plan. Copies of the affirmative action plan ~~shall be distributed to all major organizational units~~ are distributed to Academic Affairs, Human Resources, the President's Office (kept in IEC), and made available to the public in the University library. ~~Each College Dean also receives the University data, as well as their specific college and department data. These units shall ensure distribution to all personnel within the appropriate units who have responsibility for the implementation thereof. The affirmative action plan shall also be made available, upon request, to any employee, applicant, recruitment source, minority and women's organizations, and equal employment opportunity monitoring authorities.~~

## VI. Personnel Action, Policies, and Procedures

The University will establish in reasonable detail and make available upon request the standards and procedures which govern all employment practices in the operation of the institution. Included in these standards and procedures shall be policies relating to the following:

- A. Recruitment, Assignment, Transfer, and Promotion
1. Position announcements shall be distributed for consideration by all interested individuals. Announcements shall indicate the duties, responsibilities, and authorities of the position and the minimum qualifications needed by the applicant. Announcements shall carry a filing date, the method of filing an application, and the person to whom the application is to be made.
  2. Recruitment literature and vacancy announcements shall carry clear statements that the University is an equal opportunity/affirmative action employer and that positions are open to all applicants unless there is a bona fide occupational qualification requirement.
  3. Recruitment literature and vacancy announcements shall be sent to all recognized sources of candidates according to the type of position and in ways designed to

- solicit and encourage applications from qualified applicants who are female and/or individuals of color~~minority and female applicants~~.
4. Recruitment sources and advertising media utilized shall include ~~relevant minority and women's~~ organizations and community agencies related to female and/or individuals of color. Each applicant's qualifications shall be evaluated by comparing him/her with realistic job standards developed on the basis of work requirement.
  5. For professional positions such factors as education, professional experience, scholarly achievement, leadership ability, understanding of problems with which the position is to deal, demonstrated drive, tact, and initiative would be considered.
  6. For non-professional positions such factors as education, experience, and demonstrated ability will be considered, and appropriate skills tests will be utilized.
  7. The receipt and disposition of all applications shall be recorded, and all applicants shall be informed as to when their application will become inactive.
  8. Employee qualifications shall be evaluated against position requirements. Consideration shall be given to past performance and recommendations of colleagues and others in a position to evaluate potential performance.
  9. All personnel involved in recruiting, screening, selection, and promotion of employees shall be carefully selected and trained to ensure elimination of bias in all personnel actions.
  10. If the use of any tests other than skills tests is contemplated in evaluating applicants or employees, they must be validated by a professional psychometrist prior to use as a screening device.

#### B. Compensation

1. Faculty, Administrative, and Professional Staff: Faculty salaries shall be determined by earned degrees, experience, academic rank, and other appropriate factors. Administrative and Professional staff salaries shall be determined by factors such as job responsibilities, level of training and experience, and demonstrated effectiveness.
2. Classified Staff: Job classifications and salary schedules will be established for clerical and support positions. The appropriate classifications and salaries shall be applied uniformly and equitably.
3. The average salaries of males and females within the same job classification shall be compared, and any noticeable discrepancies shall be analyzed to determine the

reasons therefore. If differences cannot be accounted for in terms of relative merit and/or seniority, immediate action shall be taken to correct the discrepancy.

#### C. Training

1. When appropriate, training shall be provided to enable University personnel to increase their skill levels for more responsible positions. The University shall develop formal training programs to aid in the advancement of personnel.
2. The University shall consider the degree to which on-the-job training can be administered to individuals of color ~~minorities~~ and women in job categories wherein they are under-utilized, and where feasible, shall institute such training as a means of providing a greater opportunity for advancement.

#### D. Communication

1. Official equal opportunity signs shall be posted at appropriate places on campus and will be kept current.
2. The equal opportunity/affirmative action statement shall be placed on all appropriate University documents, including, but not limited to, stationary, bulletins, newsletters, contracts, purchase orders, advertisements, graduate and undergraduate catalogs, faculty, staff, and student handbooks, etc.
3. Recruitment sources, ~~minority and women's~~ organizations related to individuals of color and/or females, community agencies, and community leaders shall be notified periodically and in writing of the University policy on equal opportunity.
4. The equal opportunity/affirmative action policy shall be distributed to all employees of the University and discussed in orientation programs.
5. Equal opportunity/affirmative action shall be a topic of regular discussion by managers at staff meetings.

#### E. Other Personnel Actions. All other personnel actions, i.e., discipline, discharge, layoff, demotion, etc., shall be conducted indiscriminately. The following criteria will be established and applied without prohibited discrimination:

1. testing criteria;
2. evaluation criteria;
3. professional qualifications (degrees, experience, etc.); and

4. criteria for promotion and tenure.

## VII. Sexual Orientation and Gender Identity/Expression

It is the policy of MTSU that neither its students nor its employees be discriminated against on the basis of that individual's sexual orientation or gender identity/expression. Such a policy helps ensure that only relevant factors are considered, and that equitable and consistent standards of conduct and performance will be applied. For the purpose of this policy, sexual orientation concerns the emotional, romantic, sexual, or affectional attraction to members of the same sex, opposite sex, or both sexes. Gender identity/expression concerns how an individual perceives his or her own gender, which may or may not be consistent with his or her anatomic sex or gender role. Any individual who has a discrimination complaint based upon his or her sexual orientation or gender identity/expression should follow the procedures set forth in Section II. above.

This policy shall not be construed to (1) infringe upon the free exchange of ideas essential to the academic environment, (2) limit the freedom of religious association, or (3) establish a duty to engage in affirmative action measures on the basis of sexual orientation or gender identity/expression. Further, this policy shall not be construed to require the compliance of external government agencies, University programs governed by external government agencies, in which nondiscrimination does not include sexual orientation (i.e., ROTC), or programs that discriminate as a matter of policy. Notwithstanding the language set forth in this policy, eligibility of employees for employment benefits is determined by the laws and regulations of the State of Tennessee, and is not affected by this policy.

Forms: none.

Revisions: June 5, 2017 (original); \_\_\_\_\_, 2021~~none.~~

Last Reviewed: \_\_\_\_\_ 2021~~June 2017.~~

References: Executive Order 11246; Rehabilitation Act of 1973; Americans with Disabilities Act of 1990; Vietnam Era Veterans Readjustment Act of 1974; Equal Pay Act of 1963; Age Discrimination in Employment Act of 1967; Age Discrimination Act of 1975; Pregnancy Discrimination Act; Civil Rights Act of 1964; Title IX of the Education Amendments; Policies 26 Discrimination and Harassment Based on Categories Other than Sex; 27 Misconduct, Discrimination, and Harassment Based on Sex including Pregnancy, Sexual Orientation, and Gender Identity/Expression; 29 Title IX Compliance; 810 Performance Evaluation Reviews.





## **25 Equal Opportunity, Affirmative Action, and Nondiscrimination**

**Approved by Board of Trustees**

**Effective Date:** \_\_\_\_\_, 2021

**Responsible Division:** President

**Responsible Office:** Institutional Equity and Compliance

**Responsible Officer:** Assistant to the President for Institutional Equity and Compliance

### **I. Statement of Nondiscrimination**

It is the intent of Middle Tennessee State University (MTSU or University) to fully comply with the applicable provisions of federal and state civil rights laws, including, but not limited to, Executive Order 11246, as amended; the Rehabilitation Act of 1973, as amended; the Americans with Disabilities Act of 1990, as amended; the Vietnam Era Veterans Readjustment Act of 1974, as amended; the Equal Pay Act of 1963, as amended; Titles VI and VII of the Civil Rights Act of 1964, as amended; Title IX of the Educational Amendments of 1972, as amended; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; the Pregnancy Discrimination Act; the Genetic Information Nondiscrimination Act of 2008; Section 485(f) of the HEA, as amended by Section 304 of the Violence Against Women Reauthorization Act of 2013, the regulations implementing these Acts found at 34 CFR § 668.41, §668.46, and Appendix A to Subpart D of Part 668 and regulations promulgated pursuant thereto.

MTSU will promote equal opportunity for all persons without regard to race, color, religion, creed, ethnic or national origin, sex (including pregnancy), sexual orientation, gender identity/expression, disability, age (as applicable), status as a protected veteran, genetic information, and any other legally protected class. In doing so, MTSU affirms that it will not tolerate discrimination against any employee or applicant for employment and will not subject any student to discrimination or harassment under any educational program and no student shall be discriminatorily excluded from participation nor denied the benefits of any educational program on the basis of any of the protected categories listed above.

### **II. Procedures to Address Claims of Discrimination or Harassment**

Because different legal requirements apply to claims of discrimination and harassment, depending on the protected category claimed to have been violated, separate policies describe the different procedures applicable to claims based on particular protected categories.

- A. Allegations of discrimination and harassment based on sex (including pregnancy), sexual orientation, gender identity/expression, and sexual misconduct will be addressed pursuant to the procedures set forth in Policies [27 Misconduct, Discrimination and Harassment Based on Sex Including Pregnancy, Sexual Orientation, and Gender Identity/Expression](#) and [29 Title IX Compliance](#).
- B. Allegations of discrimination and harassment based on categories other than sex, sexual orientation, and gender identity/expression (for example, harassment based on race or disability status) will be addressed pursuant to the procedures set forth in [Policy 26 Discrimination and Harassment based on Protected Categories other than Sex](#).

Complaints alleging violations of discrimination and harassment policies may be filed and will be adjudicated pursuant to the procedures set forth in the applicable policy.

Complaints filed with any external agency, such as the Equal Employment Opportunity Commission, the Office for Civil Rights, or the Tennessee Human Rights Commission, must be forwarded to the Office of the University Counsel once received. This office will coordinate and submit a response on behalf of the University.

### III. Statement of Policy

In accordance with the statement of nondiscrimination and letter of commitment from the President, set forth in Section II. of the Affirmative Action Plan, MTSU shall not engage in practices which would discriminate against any individual or group for reasons of race, sex, sexual orientation, gender identity/expression, age (as applicable), color, religion, creed, ethnic or national origin, disability, status as a covered veteran, or genetic information. MTSU specifically finds that diversity of students, faculty, administrators, and staff is a crucial element of the educational process and reaffirms its commitment to enhancing education through affirmative action to increase diversity at all levels.

MTSU will take affirmative action to ensure that applicants for employment and employees are treated in a nondiscriminatory manner. Such action shall include, but not be limited to:

- A. Making employment decisions which further the principle of equal opportunity and affirmative action;
- B. Recruiting, hiring, training, and promoting persons in all job titles, without regard to any of the foregoing prohibited factors;
- C. Ensuring that promotion decisions are in accord with principles of equal opportunity and affirmative action by imposing only valid requirements for job, educational, and other opportunities; and,

- D. Ensuring that all employment decisions are implemented without prohibited discrimination.

Similarly, in compliance with Title IX of the Educational Amendments of 1972, as amended, MTSU shall not, on the basis of sex, subject any student to discrimination under any educational program. No student shall be discriminatorily excluded from participation in, or denied the benefits of, any educational program on the basis of a protected status.

#### **IV. Implementation**

##### **A. Administrative Responsibility**

The President of MTSU has appointed Office of Institutional Equity and Compliance (IEC) as the area responsible for developing and implementing the University's equal opportunity and affirmative action program and for ensuring fair practices in employment and education.

Pursuant to this appointment, IEC shall:

1. Ensure that plans are prepared and administered effectively within the time frame established.
2. Promote the equal opportunity program and affirmative action plan and ensure compliance with federal, state, and local laws and statutes, and University policies.
3. Receive and investigate complaints alleging violation of federal, state, or local statutes, or University policies that provide protection from discrimination, harassment, and retaliation on the bases of race, color, religion, creed, ethnic or national origin, sex (including pregnancy), sexual orientation, gender identity/expression, disability, age (as applicable), status as a protected veteran, genetic information, and any other legally protected class.
4. Assess the effectiveness of the program and recommend improvements.
5. Ensure that affirmative action plans are developed annually, and implemented as a means of aggressively pursuing the principles of equal employment opportunity.
6. Ensure that affirmative action goals and timetables are developed to correct problem areas and situations contributing to the under-utilization, under-representation, or inequitable treatment of protected class employees.
7. Provide positive leadership in the implementation of affirmative action programs on the campus and ensure that appropriate attention is devoted to the program in staff and faculty meetings. This shall include informing all supervisors that their

performance evaluation will include an assessment of the effectiveness of their participation in the equal opportunity programs and affirmative action plan in compliance with [Policy 810 Performance Evaluation Reviews](#).

8. Gather and report data related to the equal opportunity program and affirmative action plan.
  9. Ensure that policies and procedures are implemented to address all forms of harassment, including a procedure to receive and investigate complaints and recommend necessary action to the appropriate decision-maker.
  10. Develop and implement educational programs regarding all types of harassment.
- B. Supervisory Responsibility. Each Vice President and other supervisory personnel shall:
1. Disseminate this policy to the employees in the offices and operations for which he/she has immediate responsibility.
  2. Discuss this and other related policies directly with employees, to answer questions about them, to support them, and to urge support and cooperation by employees.
  3. Seek the assistance of IEC as necessary.

## V. Plan for Affirmative Action

The affirmative action plan is designed to promote and ensure equal opportunity at MTSU. Its goal is to ensure additional efforts to recruit, employ, and promote qualified members of groups and persons formerly excluded, even where exclusion cannot be traced to particular discriminatory actions on the part of the employer. Further, it is the intent of the affirmative action plan to overcome the effects of systematic institutional forms of exclusion and discrimination, which in practice tend to perpetuate the status quo. This plan requires that MTSU determine the under-utilization of individuals of color and women, set goals and timetables for remedy of under-utilization of same, and describe plans and procedures for correcting said under-utilization of underrepresented individuals (persons of color protected by law) and women. People of color are defined for this purpose by the Department of Labor as Black/African American, Hispanic/Latino, Asian/Pacific Islander, American Indian/Alaskan Native and two (2) or more races.

Under-utilization, for the purpose of this plan, is defined as "having fewer women or people of color in a particular job than would reasonably be expected by their availability." Goals will be established considering availability and the results of the utilization analysis. The University shall adopt the whole person measure in compliance with regulations of the Office of Federal Contract Compliance Programs (OFCCP). Specifically, percentage goals will be established by EEO-6 category and job group. Goals and objectives by organizational unit shall be established

to correct identifiable deficiencies. Goals by organizational unit shall refer to action-oriented efforts rather than percentage goals. Where problem areas are identified by organizational units, the affirmative action plan shall include a description of the efforts which the University has taken or will take to correct those problem areas in accordance with OFCCP requirement 41 CFR 60-2.13(d).

Under-representation, for purposes of this plan, is defined as having fewer individuals of color or females in a particular section of the contractor's work force, (i.e., department, job title, etc.) than would be expected in terms of their overall representation in the contractor's work force or relevant sector of that work force.

#### Utilization Analyses

- A. An analysis of the utilization of minorities and women will be performed. This analysis will include, but not be limited to, the following:
  1. Ensuring that the EEO-6 Report is completed for all categories of employees (executive/administrative/managerial, faculty, professional/non-faculty, clerical, technical/paraprofessional, skilled crafts, service maintenance).
  2. Considering the number of women and individuals of color employed by EEO-6 category and job group and the reasons for any under-utilization.
  3. Comparing, as necessary, the salaries and wages of men and women by job classification.
  
- B. The following factors must be considered in establishing goals:
  1. The percentage of individuals of color or women with requisite skills in the reasonable recruitment area, where "reasonable recruitment area" refers to the geographical area from which the contractor usually seeks, or reasonably could seek, workers to fill the positions in question; and
  2. The percentage of individuals of color or women among those promotable, transferable, and trainable within the contractor's organization, where "trainable" refers to employees who could, with appropriate training, become promotable or transferable within the AAP year.
  
- C. In compliance with Title 41, Chapter 60 of the Code of Federal Regulations, MTSU will undertake one (1) or both of the following steps:
  1. Determine which job groups are "feeder pools" for the job group in question. The feeder pools are job groups from which individuals are promoted.

2. Ascertain which employees could be promoted or transferred with appropriate training.
- D. Distribution of Affirmative Action Plan. Copies of the affirmative action plan are distributed to Academic Affairs, Human Resources, the President's Office (kept in IEC), and made available to the public in the University library. Each College Dean also receives the University data, as well as their specific college and department data.

## **VI. Personnel Action, Policies, and Procedures**

The University will establish in reasonable detail and make available upon request the standards and procedures which govern all employment practices in the operation of the institution. Included in these standards and procedures shall be policies relating to the following:

- A. Recruitment, Assignment, Transfer, and Promotion
  1. Position announcements shall be distributed for consideration by all interested individuals. Announcements shall indicate the duties, responsibilities, and authorities of the position and the minimum qualifications needed by the applicant. Announcements shall carry a filing date, the method of filing an application, and the person to whom the application is to be made.
  2. Recruitment literature and vacancy announcements shall carry clear statements that the University is an equal opportunity/affirmative action employer and that positions are open to all applicants unless there is a bona fide occupational qualification requirement.
  3. Recruitment literature and vacancy announcements shall be sent to all recognized sources of candidates according to the type of position and in ways designed to solicit and encourage applications from qualified applicants who are female and/or individuals of color.
  4. Recruitment sources and advertising media utilized shall include organizations and community agencies related to female and/or individuals of color. Each applicant's qualifications shall be evaluated by comparing him/her with realistic job standards developed on the basis of work requirement.
  5. For professional positions such factors as education, professional experience, scholarly achievement, leadership ability, understanding of problems with which the position is to deal, demonstrated drive, tact, and initiative would be considered.
  6. For non-professional positions such factors as education, experience, and demonstrated ability will be considered, and appropriate skills tests will be utilized.

7. The receipt and disposition of all applications shall be recorded, and all applicants shall be informed as to when their application will become inactive.
8. Employee qualifications shall be evaluated against position requirements. Consideration shall be given to past performance and recommendations of colleagues and others in a position to evaluate potential performance.
9. All personnel involved in recruiting, screening, selection, and promotion of employees shall be carefully selected and trained to ensure elimination of bias in all personnel actions.
10. If the use of any tests other than skills tests is contemplated in evaluating applicants or employees, they must be validated by a professional psychometrist prior to use as a screening device.

#### B. Compensation

1. Faculty, Administrative, and Professional Staff: Faculty salaries shall be determined by earned degrees, experience, academic rank, and other appropriate factors. Administrative and Professional staff salaries shall be determined by factors such as job responsibilities, level of training and experience, and demonstrated effectiveness.
2. Classified Staff: Job classifications and salary schedules will be established for clerical and support positions. The appropriate classifications and salaries shall be applied uniformly and equitably.
3. The average salaries of males and females within the same job classification shall be compared, and any noticeable discrepancies shall be analyzed to determine the reasons therefore. If differences cannot be accounted for in terms of relative merit and/or seniority, immediate action shall be taken to correct the discrepancy.

#### C. Training

1. When appropriate, training shall be provided to enable University personnel to increase their skill levels for more responsible positions. The University shall develop formal training programs to aid in the advancement of personnel.
2. The University shall consider the degree to which on-the-job training can be administered to individuals of color and women in job categories wherein they are under-utilized, and where feasible, shall institute such training as a means of providing a greater opportunity for advancement.

#### D. Communication

1. Official equal opportunity signs shall be posted at appropriate places on campus and will be kept current.
2. The equal opportunity/affirmative action statement shall be placed on all appropriate University documents, including, but not limited to, stationary, bulletins, newsletters, contracts, purchase orders, advertisements, graduate and undergraduate catalogs, faculty, staff, and student handbooks, etc.
3. Recruitment sources, organizations related to individuals of color and/or females, community agencies, and community leaders shall be notified periodically and in writing of the University policy on equal opportunity.
4. The equal opportunity/affirmative action policy shall be distributed to all employees of the University and discussed in orientation programs.
5. Equal opportunity/affirmative action shall be a topic of regular discussion by managers at staff meetings.

#### E. Other Personnel Actions. All other personnel actions, i.e., discipline, discharge, layoff, demotion, etc., shall be conducted indiscriminately. The following criteria will be established and applied without prohibited discrimination:

1. testing criteria;
2. evaluation criteria;
3. professional qualifications (degrees, experience, etc.); and
4. criteria for promotion and tenure.

### **VII. Sexual Orientation and Gender Identity/Expression**

It is the policy of MTSU that neither its students nor its employees be discriminated against on the basis of that individual's sexual orientation or gender identity/expression. Such a policy helps ensure that only relevant factors are considered, and that equitable and consistent standards of conduct and performance will be applied. For the purpose of this policy, sexual orientation concerns the emotional, romantic, sexual, or affectional attraction to members of the same sex, opposite sex, or both sexes. Gender identity/expression concerns how an individual perceives his or her own gender, which may or may not be consistent with his or her anatomic sex or gender role. Any individual who has a discrimination complaint based upon his or her sexual orientation or gender identity/expression should follow the procedures set forth in Section II. above.

This policy shall not be construed to (1) infringe upon the free exchange of ideas essential to the academic environment, (2) limit the freedom of religious association, or (3) establish a duty to engage in affirmative action measures on the basis of sexual orientation or gender identity/expression. Further, this policy shall not be construed to require the compliance of external government agencies, University programs governed by external government agencies, in which nondiscrimination does not include sexual orientation (i.e., ROTC), or programs that discriminate as a matter of policy. Notwithstanding the language set forth in this policy, eligibility of employees for employment benefits is determined by the laws and regulations of the State of Tennessee, and is not affected by this policy.

Forms: none.

Revisions: June 5, 2017 (original); \_\_\_\_\_, 2021.

Last Reviewed: \_\_\_\_\_ 2021.

References: Executive Order 11246; Rehabilitation Act of 1973; Americans with Disabilities Act of 1990; Vietnam Era Veterans Readjustment Act of 1974; Equal Pay Act of 1963; Age Discrimination in Employment Act of 1967; Age Discrimination Act of 1975; Pregnancy Discrimination Act; Civil Rights Act of 1964; Title IX of the Education Amendments; Policies 26 Discrimination and Harassment Based on Categories Other than Sex; 27 Misconduct, Discrimination, and Harassment Based on Sex including Pregnancy, Sexual Orientation, and Gender Identity/Expression; 29 Title IX Compliance; 810 Performance Evaluation Reviews.





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: May 25, 2021

SUBJECT: **Review and Approval of the Audit  
and Compliance Committee's  
Charter**

PRESENTERS: Brenda Burkhart  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

Tennessee Code Annotated Title 4, Chapter 35 requires state governing boards that are responsible for the preparation of financial statements to have an audit committee and the audit committee must have a charter that is approved by the Comptroller of the Treasury. The MTSU Audit and Compliance Committee Charter in Section IV.G.1 requires a review of the charter every four years or as needed to assess the adequacy of the charter. Any proposed changes need the approval of the Board and the Comptroller of the Treasury. The current charter is dated September 12, 2017.

The current charter is included in the meeting materials. The charter has been reviewed for compliance with state law and the Comptroller of the Treasury's Guidelines for Audit Committee Charters. There are no proposed revisions to the current Audit and Compliance Committee Charter other than to update the signatures to the current Chair of the committee.



# Middle Tennessee State University

## Audit and Compliance Committee Charter

### I. Purpose

The Audit and Compliance Committee, a standing committee of the Middle Tennessee State University Board of Trustees (Board), will assist the Board in exercising oversight of the University's financial and accounting practices, internal controls, risk assessments and standards of conduct.

### II. Mission

The Audit and Compliance Committee will provide oversight of the following areas:

- A. Audit engagements with the Tennessee Comptroller's Office, including the integrity of financial statements and compliance with legal and regulatory requirements,
- B. Audit engagements with external auditors,
- C. Internal Audit activities,
- D. Internal Audit administration,
- E. Internal controls and compliance with laws, regulations, and other requirements,
- F. Risk and control assessments,
- G. Fraud, waste, and abuse prevention, detection, and reporting, and
- H. Other areas as directed by the Board.

### III. Authority

The Audit and Compliance Committee has the authority to authorize or facilitate audits or investigations into any matter within its scope of responsibility. The Committee is authorized to:

- A. Seek any information it requires from employees or external parties. Employees are directed to cooperate with the Committee's requests,
- B. Meet with Board and institutional officials, external and internal auditors, legal counsel, or others as necessary, and
- C. Oversee the University's internal audit function.

### IV. Responsibilities

The Audit and Compliance Committee has responsibilities for the following:

- A. Tennessee Comptroller's Office Audits (State Auditors)
  - 1. Understand the scope and approach used by the State Auditors in conducting their examinations,
  - 2. Review results of the Comptroller's examinations of financial statements and any other matters related to the conduct of the audits,

3. Review with management and legal counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies,
  4. Ensure that the Comptroller is notified of any indications of fraud in the manner prescribed by the Comptroller,
  5. Resolve any differences between management and the Comptroller's auditors regarding financial reporting, and
  6. Meet, as needed, with the Comptroller's auditors to discuss any matters that the Audit and Compliance Committee or State Auditors deem appropriate.
- B. External Audits
1. Understand the scope and approach used by the external auditors in conducting their examinations,
  2. Review results of the external auditors' examinations and any other matters related to the conduct of the external audits, and
  3. Meet, as needed, with the external auditors to discuss any matters that the Audit and Compliance Committee or external auditors deem appropriate.
- C. Internal Audit (Audit and Consulting Services)
1. Ensure that the Chief Audit Executive reports directly to the Audit and Compliance Committee and has direct and unrestricted access to the chair of the Audit and Compliance Committee,
  2. Review and approve the internal audit charter for the University's department of Audit and Consulting Services,
  3. Review and approve the annual audit plans for the University's department of Audit and Consulting Services, including management's request for unplanned audits,
  4. Receive and review significant results of internal audits performed,
  5. Work with University management and Audit and Consulting Services to assist with the resolution of cooperation issues and to ensure the implementation of audit recommendations,
  6. Review the results of the year's work with the Chief Audit Executive, and
  7. Ensure the University's internal audit function maintains a quality assurance and improvement program, including internal procedures and assessments and a periodic external quality assessment of conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.
- D. Internal Audit Administration
1. Ensure the Chief Audit Executive's administrative reporting relationship to the President is independent.
  2. Ensure that Audit and Consulting Services has adequate resources in terms of staff and budget to effectively perform its responsibilities.
  3. Review and approve the appointment and compensation of the Chief Audit Executive,
  4. Recommend to the Board dismissal of the Chief Audit Executive only for cause

5. Review and approve the compensation and termination of campus internal auditors.

**E. Risk, Internal Control and Compliance**

1. Consider the effectiveness of the internal control system and compliance with laws and regulations, including computerized information system controls and security,
2. Review and evaluate risk assessments performed by institutional management and the Board, and
3. Inform the Comptroller of the Treasury of the results of risk assessments and controls completed by University management.

**F. Fraud**

1. Ensure that the Board and the University have an effective process in place to prevent, detect, and report fraud, waste and abuse.
2. Facilitate audit and investigative matters, including advising auditors and investigators of any pertinent information received by the Audit and Compliance Committee.

**G. Other**

1. Review and assess the adequacy of the Audit and Compliance Committee's charter every four years or as needed, whichever is earlier, requesting Board approval for any proposed changes.
2. Ensure there are procedures for the receipt, retention, and treatment of complaints about accounting, internal controls, or auditing matters.
3. Review the University's code of conduct and/or policies regarding employee conduct to ensure that they are easy to access, are widely distributed, are easy to understand and implement, include a confidential mechanism for reporting code violations, are enforced, and include a conflict of interest policy.
4. Review the University's conflict of interest policy to ensure that the term "conflict of interest" is clearly defined, the policy is comprehensive, annual signoff is required, and potential conflicts are adequately resolved and documented.

**V. Independence**

The members of the Audit and Compliance Committee shall be free of any interests, in fact or in appearance, that are in conflict with their duties as members of the Audit and Compliance Committee.

**VI. Membership**

- A. Pursuant to TCA 4-35-104, the Audit and Compliance Committee shall have at least three voting members,
- B. The Audit and Compliance Committee members shall be appointed by the Board Chair and serve a two (2) year term,
- C. The chair of the Audit and Compliance Committee shall be appointed by the Board Chair and serve a one (1) year term,

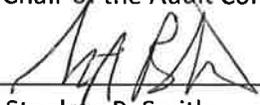
- D. Appointments of the Audit and Compliance Committee members and its chair shall be approved by the Board,
- E. The Board Chair shall serve as an ex officio Voting member of the Audit and Compliance Committee,
- F. The Audit and Compliance Committee shall include at least one member, the chair of the committee, who shall have accounting and financial management expertise, and
- G. The other members of the Audit and Compliance Committee shall be generally knowledgeable in financial, management, and auditing matters.

**VII. Meetings**

- A. The Audit and Compliance Committee shall meet at least quarterly during each calendar year, and may meet more frequently as deemed necessary. Meetings may be requested by the Board Chair, chair of the Audit and Compliance Committee or the Comptroller of the Treasury,
- B. The Audit and Compliance Committee may invite Board management, auditors, or others to attend and provide relevant information,
- C. Minutes shall be made of all meetings of the Audit and Compliance Committee and provided to the Board Chair, the President of the University and the Secretary to the Board. The minutes shall be maintained as the official record of such meetings,
- D. A majority of the voting members of the committee shall constitute a quorum for the transaction of business.
- E. All meetings of the Audit and Compliance Committee shall adhere to the Open Meetings Act, Tennessee Code Annotated Title 8, Chapter 44, except that pursuant to TCA Section 4-35-108(b), the Audit and Compliance Committee may hold confidential, nonpublic executive sessions for the sole purpose of discussing the following:
  - 1. Items deemed not subject to public inspection under Tennessee Code Annotated, Sections 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under state or federal law,
  - 2. Litigation,
  - 3. Audits or investigations, and
  - 4. Matters involving information under Tennessee Code Annotated, Section 4-35-107(a), where the informant has requested anonymity.

**Approvals**

Approved by:  Date: Sept. 12, 2017  
 Christine Karbowski  
 Chair of the Audit Committee

Approved by:  Date: 9/12/17  
 Stephen B. Smith  
 Chairman of the Board



**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: May 25, 2021

SUBJECT: **Review and Approval of the Audit  
Charter for the Audit Office**

PRESENTERS: Brenda Burkhart  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

The *International Standards for the Professional Practice of Internal Auditing (Standards)* requires, “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.”

The Audit Charter presented for approval is the same charter approved in May 2017 when MTSU’s governance changed to the Board of Trustees. The charter has been reviewed for compliance with state law, MTSU policy 70 Internal Audit and the *Standards* with no proposed revisions except to update the signatures to include the current Chair of the Audit and Compliance Committee.



## **Introduction**

Middle Tennessee State University is an institution within the Tennessee higher education community. Middle Tennessee State University is governed by the Board of Trustees, consisting of 10 members (the Board) as determined by state law. The Audit and Compliance Committee is a standing committee of the Board. In accordance with the “State of Tennessee Audit Committee Act of 2005,” the chief audit executive reports directly to the Audit and Compliance Committee of the Board and oversees the internal audit function. Middle Tennessee State University employs an audit staff of four professionals including the chief audit executive.

## **Purpose**

Audit and Consulting Services is an independent objective assurance and consulting activity designed to add value and improve Middle Tennessee State University management systems. Audit and Consulting Services helps Middle Tennessee State University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Audit and Consulting Services assists Middle Tennessee State University’s management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls.

Assurance services involve the internal auditor’s objective assessment of evidence to provide an opinion or conclusions regarding an entity, operation, function, process, system, or other subject matters. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter — the process owner, (2) the person or group making the assessment — the internal auditor, and (3) the person or group using the assessment — the user.

Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice — the internal auditor, and (2) the person or group seeking and receiving the advice — the engagement client. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.

Middle Tennessee State University's management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

### **Authority and Scope**

Audit and Consulting Services review of operations may include the examination and evaluation of the effectiveness of all aspects of university operations at Middle Tennessee State University. In the course of its work, Audit and Consulting Services has full and complete direct access to all Middle Tennessee State University books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information provided to Audit and Consulting Services during their work will be handled in the same prudent manner that Middle Tennessee State University expects of the employees normally accountable for them.

Audit and Consulting Services has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities they would normally be expected to review or evaluate as part of the normal audit function.

### **Responsibility and Role**

MTSU Policy 70, *Internal Audit*, states the role of the internal audit function is to contribute to the improvement of the University's operations by providing objective and relevant assurance regarding risk management, control and governance processes to management and the Board. Meaningful internal auditing requires cooperation among Audit and Consulting Services, Middle Tennessee State University's administration, and the department under audit. In fulfilling their responsibilities, Audit and Consulting Services will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the Audit and Compliance Committee, President and other university management who respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.

- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review university operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors and the administration.

### **Organizational Status/Reporting Structure**

In accordance with T.C.A. 49-14-102 and MTSU Policy 70, *Internal Audit*, the chief audit executive reports directly to the Audit and Compliance Committee and the Board.

The internal auditing services provided by Audit and Consulting Services are reported directly to the President and the Audit and Compliance Committee. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit and Compliance Committee and to the State of Tennessee Comptroller of the Treasury. Management is provided a discussion draft of the audit report prior to the issuance of the report. Audit and Consulting Services is responsible for the timely follow-up on audit findings and recommendations to ascertain the status of management's corrective actions.

### **Audit Standards and Ethics**

Audit and Consulting Services adheres to The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*, together with the Code of Ethics. The *Standards* consist of core requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity.

### **Periodic Review of Internal Audit Charter**

This charter will be periodically assessed by the chief audit executive to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Audit and Compliance Committee.

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Brenda H. Burkhart, Chief Audit Executive  
Audit and Consulting Services  
Middle Tennessee State University

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Date

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Dr. Sidney A. McPhee, President  
Middle Tennessee State University

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Date

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Trustee Pete DeLay, Committee Chair  
Audit and Compliance Committee  
Board of Trustees  
Middle Tennessee State University

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Date



**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: May 25, 2021

SUBJECT: **Report on Independence of Chief  
Audit Executive**

PRESENTERS: Brenda Burkhart  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

The Audit and Compliance Committee Charter, Section IV.D.1 requires the Committee to “ensure the Chief Audit Executive’s administrative reporting relationship to the President is independent.”

There are no problems or issues with independence to report. The President does not limit the scope of audit work performed by Audit and Consulting Services. The President is supportive and encourages the independence of the Chief Audit Executive.





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: May 25, 2021

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

PRESENTER: Brenda Burkhart  
Chief Audit Executive

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**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, the following audit project was completed:

1. Special Review of International Enrollment and Services issued April 28, 2021. The review was performed at the request of management. Since spring 2019, seven international students were admitted to an unapproved certificate program which resulted in the students' I-20s containing false information based on the educational objective of the student. A series of decisions by a community of employees contributed to the false information on the I-20s. Appropriate training was recommended for the employees involved in the immigration process. Management is implementing corrective action.

The current status of the Internal Audit Plan for Fiscal Year 2021 is included for the Committee's review.



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

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2020	Report Issued 8/27/2020	No Reportable Issues
R	GV	Audit of President's Office	Report Issued 11/17/2020	No Reportable Issues
I	SS	INV1702	In Progress	
I	AA	INV1705	Draft Report	
I	AA	INV1801	In Progress	
I	AT	INV1904	In Progress	
I	SS	INV2101	In Progress	
I	AA	INV2102	In Progress	
I	AA	Special Review International Enrollment and Services (INV2103)	Report Issued 4/28/2021	Recommended Improved Training
S	AA	Use of Mobile Production Truck	Report Issued 9/29/2020	Risk Identified/Mitigated
P	GV	IIA - Self Assessment & QAR	In Progress	
F	GV	State Audit Follow-Up to Sunset Review	In Progress	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
I	GV	Unscheduled Investigations	In Progress	
R	AT	Football Attendance Fall 2020	NCAA Waived Requirement	Cancelled
R	FM	Cash Counts FY2021	Scheduled	
R	FM	Year-End Inventory FY2021	Scheduled	
A	IT	Risk/Controls: Vendor Provided Services	Scheduled	
A	IT	Risk/Controls: PII Compliance	In Progress	
A	MC	Marketing & Communications	Scheduled	
A	FM	Payroll	Scheduled	
A	AA	Research Services Procedural Review	Scheduled	
A	FM	Property Management Contract Review	Scheduled	

<p><b>Audit Types:</b>  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</p>	<p><b>Area = University Division</b>  AA - Academic Affairs  AD - Advancement  AT - Athletics  FM - Financial Management  GV - Governance/Executive Office  IT - Information Technology  MC - Marketing and Communications  SS - Student Services</p>
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