

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, June 2, 2020 via electronic teleconference.

Call to Order and Opening Remarks

Committee Chair Pete DeLay called the meeting to order at 9:39 a.m.

Roll Call and Statement of Necessity

Since the Committee was participating electronically, Heidi Zimmerman, University Counsel and Board Secretary, stated that there were two questions that needed to be answered. Question 1.) Can you hear Ms. Zimmerman and others clearly? Question 2.) Are there others in the room with you? Ms. Zimmerman stated that unless the trustee stated otherwise as their names were called, she would assume that there was no one else present in the room and that the Committee members could clearly hear others on the electronic teleconference.

Committee members Tom Boyd, Pete DeLay, Christine Karbowski, Mary Martin, Steve Smith, and Pam Wright were in attendance by way of electronic teleconference and confirmed no one else was present in the room. All indicated they could hear all others on the electronic teleconference clearly.

Also present on the electronic teleconference were Trustees J.B. Baker, Darrell Freeman Sr., Joey Jacobs, and Samantha Eisenberg. President Sidney 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; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

Ms. Zimmerman stated that a quorum was not physically present, but that one would exist with the inclusion of the Committee members participating electronically. In accordance with T.C.A. § 8-44-108(b)(2), in order to proceed without a physical quorum, the Committee was required to make a determination that necessity for the meeting existed. Ms. Zimmerman provided the following circumstances for the Committee's consideration to establish the necessity for holding the meeting:

1. The agenda included matters the Committee may consider and vote on in order to make recommendations to the Board of Trustees. These recommendations include several informational and follow up items to be shared with the Committee members, including results of external reviews and quarterly reports.
2. The Board of Trustees will meet on Tuesday, June 16.
3. It was necessary for the Committee to meet in order to consider these matters prior to the Board's next meeting.
4. Due to concerns related to exposure to the coronavirus, it was determined that the Committee meeting should be held electronically and, thus, there was not a physical quorum without electronic participation of Committee members.

Chairman Delay requested a motion and a roll call vote be taken for determination on the necessity of holding the meeting. Trustee Karbowiak made the motion, which was seconded by Trustee Smith. A roll call vote was taken and with all Committee members voting "Aye", the motion establishing the necessity of holding the meeting carried.

Approval of Minutes - Action

The first agenda item was approval of the minutes from the March 17, 2020 Audit and Compliance Committee meeting. Trustee Wright moved to approve the minutes from the March 17, 2020 meeting and Trustee Martin seconded the motion. A roll call vote was taken and, with all Committee members voting “Aye,” the motion to approve the minutes from the March 17, 2020 meeting of the Audit and Compliance Committee carried.

Results of External Reviews - Information

Ms. Burkhart presented the results of three external reviews. The Office of the Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2019 on March 11, 2020. The report included unmodified opinions on the fairness of the presentation of the financial statements and contained no audit findings. The Office of Criminal Justice Programs of the Tennessee Department of Finance and Administration completed an on-site, current year review of the STOP (*Services, Training, Officers, Prosecutions*) Contract for the Law Enforcement Domestic Violence/Sexual Assault Investigator position in February 2020 and reported no findings of noncompliance. The National Science Foundation (NSF) reported the results of a desk review by Atlas Research in April 2020 that concluded no major deficiencies but cited five concerns described as “minor”. The report included five recommendations for improving the documentation of procedures, noting that proper procedures were in place but the documentation of the processes should be improved. Management is taking corrective action to improve the documentation of procedures which will be reviewed during subsequent monitoring activities.

Ms. Burkhart also provided the following information as a follow-up to the Comptroller’s Investigative Report issued in July of 2019 concerning the Office of International Affairs. The former international recruiter pled guilty to two (2) counts of attempted forgery and one (1) count of attempted official misconduct on Friday, May 22, 2020. The former international recruiter received three (3) years of probation with the requirement to complete 100 hours

of community service work. He paid restitution of \$40,000 to the University and is to have no contact with the university campus.

Quarterly Report – Results of Internal Audit Reports – Information

Since the March 17, 2020 report of audit results to the Audit and Compliance Committee, no internal audit reports have been issued. The current status of the Internal Audit Plan for Fiscal Year Ended June 30, 2020 was included for the Committee’s review.

Adjournment

The Committee adjourned the public session at 9:47 a.m. There were no non-public executive items for discussion.

Respectfully submitted,

Audit and Compliance Committee