

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, May 25, 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 10:35 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees Tom Boyd, Pete DeLay, Christine Karbowskiak, Mary Martin, Steve Smith, and Pam Wright. A quorum was declared present. Also present were Trustees J.B. Baker, Darrell Freeman Sr., Joey Jacobs, and Delanie McDonald.

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 March 16, 2021 Audit and Compliance Committee meeting. Trustee Boyd moved to approve the minutes from the March 16, 2021 meeting and Trustee Wright seconded the motion. A voice vote was taken and, with all

Committee members voting “Aye,” the motion to approve the minutes from the March 16, 2021 meeting of the Audit and Compliance Committee carried unanimously.

Approval of Policy Revisions – Action

The next item on the agenda was the approval of policy revisions for Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination presented by Ms. Christy Sigler, Interim Assistant to the President for Institutional Equity and Compliance. These revisions were drafted to accommodate the implementation of MTSU Policy 29 Title IX Compliance and related procedures, and to update job titles and terminology.

Trustee Martin moved to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination and Trustee Wright seconded the motion. A voice vote was taken and, with all Committee members voting “Aye,” the motion to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination carried unanimously.

Review and Approval of Audit Committee Charter – Action

The next item on the agenda was the review and approval of the Audit Committee Charter presented by Ms. Brenda Burkhart. The MTSU Audit and Compliance Committee Charter was approved in 2017 and is required in Section IV.G.1. of the charter to be reviewed every four years. The current charter was reviewed for compliance with state law and the Comptroller of the Treasury’s Guidelines for Audit Committee Charters. Other than updating the signatures to include the current Chair of the Audit and Compliance Committee, there were no proposed revisions to the current Audit and Compliance Committee Charter.

Trustee Karbowskiak made the motion to approve the Audit Committee Charter as presented and only update the signatures and Trustee Boyd seconded the motion. A voice vote was taken and, with all committee members voting “Aye,” the motion to approve the Audit Committee Charter as presented and only update the signatures carried unanimously.

Review and Approval of Audit Charter for the Audit Office – Action

The review and approval of the Audit Charter for the Audit Office was presented by Ms. Burkhart. Tennessee Code Annotated, 4-3-304 requires internal audit staffs of state entities to follow *The International Standards for the Professional Practice of Internal Auditing (Standards)* published by The Institute of Internal Auditors. The *Standards* require an internal audit charter for the internal audit function which formally defines the purpose, authority and responsibility of the internal audit activity. The internal audit charter must periodically be reviewed by the chief audit executive and presented to senior management and the board for approval.

The current charter was reviewed for compliance with the language recommended in the *Standards*, state law, and MTSU Policy 70 Internal Audit. There were no proposed revisions to the current audit charter for the Office of Audit and Consulting Services other than updating the signatures to include the current Chair of the Audit and Compliance Committee.

Trustee Martin made the motion to approve the Audit Charter presented for the Office of Audit and Consulting Services and only update the signatures and Trustee Wright seconded the motion. A voice vote was taken and, with all committee members voting “Aye,” the motion to approve the Audit Charter presented for the Office of Audit and Consulting Services and only update the signatures carried unanimously.

Report on Independence of Chief Audit Executive – Information

The report on independence of the Chief Audit Executive was presented by Ms. Burkhart. The Audit and Compliance Committee Charter, Section IV.D.1 requires the Audit and Compliance Committee to “ensure the Chief Audit Executive’s administrative reporting relationship to the President is independent.” The report on independence is also a requirement of the internal auditing standards which require the chief audit executive to confirm to the Board the organizational independence of the internal audit activity.

Organizational independence is achieved with the position of Chief Audit Executive reporting administratively to the President and functionally to the Audit and Compliance Committee of the Board. There were no problems or issues with independence to report. The President does not limit the scope of audit work performed, is supportive, and encourages the independence of the Chief Audit Executive.

Quarterly Report – Results of Internal Audit Reports – Information

Ms. Burkhart presented the results of two internal audit reports issued since the March 16, 2021 to the Audit and Compliance Committee. 1) Special Review of International Enrollment and Services was performed at the request of management and recommended that the employees involved in the immigration process receive appropriate training for their positions. 2) The Follow-up Review of the State Audit Performance Audit Report for the MTSU Board of Trustees (the Sunset Audit Report) concluded that management had implemented the corrective action of adding a manual review of the Clery daily crime log to ensure all reported crimes are included on the Clery daily crime log.

As noted in the minutes of the prior 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. However, due to prolonged absences of critical staff members, the update on that corrective action was delayed and should be completed by the next meeting.

The current status of the Internal Audit Plan for Fiscal Year Ended June 30, 2021 was included for the Committee's review.

Non-Public Executive Session

The Committee adjourned the public session at 10:50 a.m. and entered non-public executive session at 10:51 a.m. to discuss audits and investigations. The non-public executive session adjourned at 11:02 a.m.

Respectfully submitted,

Audit and Compliance Committee