



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

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Tuesday, May 21, 2024

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 21, 2024

**AGENDA**

Call to Order and Opening Remarks

Roll Call

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

Annual Internal Audit Assurances (Information).....Tab 2

Results of External Reviews (Information) .....Tab 3

1. TN Department of Finance and Administration, Office of Criminal Justice Programs Monitoring Report for STOP contract
2. TN Department of Safety and Homeland Security, TN Highway Safety Office Compliance Report for High Visibility Enforcement of TN Traffic Safety Laws

Quarterly Report – Results of Internal Audit Reports (Information).....Tab 4

Closing Remarks

Adjourn Public Session

Non-Public Executive Session – Non-Public Executive Session – Discussion of Cyber Security, Security Plans, Audits and Investigations (Information)





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: May 21, 2024

SUBJECT: **Approval of Minutes**

PRESENTER: Tom Boyd  
Committee Chair

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**BACKGROUND INFORMATION:**

The Audit and Compliance Committee met on February 27, 2024. 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, February 27, 2024 in the MEC Meeting Room in the Miller Education Center at Middle Tennessee State University.

**Call to Order and Opening Remarks**

Committee Chair Tom Boyd called the meeting to order at 10:51 a.m. and welcomed everyone in attendance.

**Roll Call**

The following Committee members were in attendance: Trustees J.B. Baker, Tom Boyd, Mary Martin, Bill Jones, Steve Smith, Pam Wright, Christine K. Vanek, Michael Wade, and Molly Mihm. Trustee Pete Delay participated electronically and, pursuant to T.C.A. § 8-44-108(c)(3), he confirmed that he could hear clearly and no one was present in the room with him. A quorum was declared present.

President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Joe Bales, Vice President for University Advancement; Mark Byrnes, University Provost; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Andrew Oppmann, Vice President for Marketing and Communications; Sarah Sudak, Interim Vice President for Student Affairs; James Floyd, University Counsel and Board Secretary; Kim Edgar, Assistant to the President and Chief of Staff; and Leah Ladley, Chief Audit Executive were also in attendance.

**Approval of Minutes – Action**

The first agenda item was approval of the minutes from the November 14, 2023 Audit and Compliance Committee meeting. Trustee Smith moved to approve the minutes from the November 14, 2023 meeting and Trustee Vanek 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 14, 2023 meeting of the Audit and Compliance Committee carried unanimously.

### **Report of Conflict of Interest Disclosures in 2023 – Information**

Mr. Drew Harpool, Associate Vice President for Business and Finance presented the 2023 report of the conflict-of-interest disclosures reviewed by the Conflict of Interest Committee. For 2023, there were eight conflicts of interest.

### **Review of President’s Statement of Disclosure of Interests for 2024 – Information**

Mrs. Ladley presented the President’s Statement of Disclosure of Interests for 2024 for information and the Committee’s review, noting there were no changes from the disclosures made in 2023. Trustee Baker suggested that Suntrust should be changed to Truist in the Statement of Disclosure of Interests.

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

Mr. Floyd presented the Report on Compliance with Public Records Policy, Policy 120. A summary of the number of records requests received in calendar year 2023 was provided for the Committee’s review. Mr. Floyd noted the university received 85 total requests which constituted a decrease of 41 fewer requests compared to the previous year. Trustee Vanek asked what is the typical reason that a request for information would be denied. Mr. Floyd stated most denials are from non-Tennessee citizen requests. Public Records are only available to Tennessee citizens. Other denials may relate to the nature of the information requested that may be confidential under state law. Those are not accessible to the public.

### **Results of External Reviews – Information**

Mrs. Ladley reported the results of three external reviews. 1) The Tennessee Comptroller of the Treasury issued the financial and compliance audit for the fiscal year ended June 30, 2023. There were no audit findings, and the opinions of the financial statements were unmodified. Alan Thomas discussed the details of this external review with the committee. 2) The Tennessee Comptroller’s Office released the results of the NCAA agreed-upon procedures applied to the



statement of revenues and expenses of the athletics programs for the year ended June 30, 2023. There were no significant exceptions noted; a minor transposition error and an updating error in a schedule were noticed and corrected prior to the completion of the review. 3) The Tennessee Higher Education Commission (THEC) completed a compliance review of the TN Student Assistance Corporation for FY23 academic year. Because there were no findings in this audit, MTSU incurs no financial liability in the overall administration of the state financial aid programs for the year under review.

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

Mrs. Ladley reported there has been one audit report, three investigation memos, and Internal Audit self-assessment report issued since the last committee meeting. The Audit of the Office of the President for Fiscal Year 2023 was completed with no reportable issues. Three investigations initiated with your prior internal audit leaders have been completed with two resulting in improvements to the system of internal controls. A self-assessment of the internal audit processes to evaluate conformance to the Standards has been completed also. The status of the 2024 audit plan was included in the meeting materials for the Committee to review.

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

The Committee adjourned the public session at 11:09 a.m. and entered non-public executive session at 11:11 a.m. to discuss cybersecurity, audits, and investigations. The non-public executive session adjourned at 11:31 a.m.

Respectfully submitted,  
Audit and Compliance Committee

DRAFT



**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: May 21, 2024

SUBJECT: **Annual Internal Audit Assurances**

PRESENTER: Leah Ladley  
Chief Audit Executive

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**REQUIREMENTS:**

A. 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.”

**No issues with independence to report.**

B. The Global Audit Standards require certain communications:

1. The chief audit executive must confirm the organizational independence of the internal audit function.

**Confirmed**

2. The chief audit executive must communicate the results of the internal quality assessment.

**Report date: January 26, 2024**

3. The chief audit executive must escalate instances of management’s excessive acceptance of risk.

**No instances of management’s acceptance of excessive risk have been identified.**





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: May 21, 2024

SUBJECT: **Results of External Reviews**

PRESENTER: Leah Ladley  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

- 1. Tennessee Department of Finance & Administration, Office of Criminal Justice Programs (OCJP) Monitoring Report Regarding Middle Tennessee State University(MTSU) STOP contract #51664 was issued March 12, 2024**

The OCJP identified two findings:

1. MTSU did not have a STOP policy regarding Sexual Misconduct, Domestic Violence, and Dating Violence. MTSU had multiple policies containing portions of the required verbiage but did not have all elements combined in a single policy.
2. For personnel funded less than 100% by the grant, there was no process to provide an accurate accounting of time spent on the OCJP funded project.

A Corrective Action Plan was submitted on March 13, 2024, which included a policy memo, creating a MTSU Police Department policy specific to the STOP grant. A color-coded system has been developed for identifying the time spent on the STOP grant. The CAP was acknowledged and approved on April 26, 2024.

**2. Tennessee Department of Safety and Homeland Security (TDOSHS),  
Tennessee Highway Safety Office (THSO) Contractual Compliance Report  
Regarding Middle Tennessee State University (MTSU) High Visibility  
Enforcement of Tennessee Traffic Safety Laws was issued on May 2, 2024**

The monitoring was conducted in accordance with the Department of General Services policy on Grant and Sub-recipient Monitoring Policy #2013-007 and the Tennessee Sub-recipient Monitoring Manual. TDOSHS/THSO conducted the on-site review to verify contractual compliance and included programmatic testing in the core areas of Activities Allowed and Unallowed. No issues of noncompliance during the on-site review were identified.



**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: May 21, 2024

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

PRESENTER: Leah Ladley  
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, an investigation was completed which resulted in strengthening the system of internal controls by enhancing handbook guidance related to international group travel with students.

The updated status of the Internal Audit Plan for Fiscal Year 2024 is included for the Committee's review.





**Middle Tennessee State University  
Internal Audit Plan  
Fiscal Year Ended June 30, 2024  
as of May 6, 2024**

Type	Area	Audit Project	Current Status	Report Date
R	FM	Year-End Inventory FY2023	Completed	8/23/2023
R	FM	Cash Counts FY2023	Completed	8/22/2023
R	GV	FY23 Audit of President's Office Expenses	Completed	11/15/2023
R	AT	Football Attendance 2023	NCAA Eliminated Requirement	Canceled
I	SS	INV1702	Completed	12/19/2023
I	AA	INV1705	Completed	1/29/2024
I	AA	INV1801	Completed	2/29/2024
I	SS	INV2201	Comptroller's Office issued report	8/23/2023
I	SS	INV2304	Completed	1/24/2024
I	AA	INV2403	In Progress - initiated March 2024	
I	FM	INV2404	In Progress - initiated April 2024	
P	GV	IIA - Self Assessment & QAR	Completed	1/26/2024
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
I	GV	Unscheduled Investigations	As needed	
R	FM	Cash Counts FY2024	Scheduled for June 2024	
R	FM	Year-End Inventory FY2024	Scheduled for June 2024	

<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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