



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

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Tuesday, March 15, 2022  
10:00 a.m.

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, March 15, 2022

**AGENDA**

Call to Order and Opening Remarks

Roll Call

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

Report of Conflict of Interest Disclosures in 2021 (Information) ..... Tab 2

Review of President’s Statement of Disclosure of Interests for 2022 (Information) ..... Tab 3

Report on Compliance with Public Records Policy (Information) ..... Tab 4

Results of External Reviews (Information) ..... Tab 5

1. Tennessee Comptroller of the Treasury, Financial and Compliance Audit Report for the Year Ended June 30, 2021
2. Tennessee Comptroller of the Treasury, NCAA Agreed-Upon Procedures Applied to the Athletic Programs Statement of Revenue & Expenses for the Year Ended June 30, 2021

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

Closing Remarks

Adjourn Public Session

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





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Action Item**

DATE: March 15, 2022

SUBJECT: **Approval of Minutes**

PRESENTER: Pete DeLay  
Committee Chair

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**BACKGROUND INFORMATION:**

The Audit and Compliance Committee met on November 9, 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, November 9, 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 2:17 p.m. and welcomed everyone in attendance.

**Roll Call**

The following Committee members were in attendance: Trustees J.B. Baker, Rick Cottle, Pete DeLay, Joey Jacobs, Christine Karbowski, Steve Smith, Pam Wright, and Gabriela Jaimes. Trustee Tom Boyd 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 with him. A quorum was declared present. Trustee Darrell Freeman Sr. was also present.

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

**Approval of Minutes - Action**

The first agenda item was approval of the minutes from the August 24, 2021 Audit and Compliance Committee meeting. Trustee Boyd moved to approve the minutes from the August 24, 2021 meeting and Trustee Smith seconded the motion. A roll call vote was taken and, with all

Committee members voting “Aye,” the motion to approve the minutes from the August 24, 2021 meeting of the Audit and Compliance Committee carried unanimously.

**Results of External Review – Information**

Ms. Burkhart presented the results of an external review performed by the Federal Emergency Management Agency (FEMA) of the U.S. Department of Homeland Security. A desk monitoring review was completed for the fiscal year 2018 Fire Prevention and Safety grant on September 9, 2021. There were no monitoring findings or issues disclosed. The report concluded the statement of work was progressing in compliance with FEMA guidelines and Federal regulations for the grant program.

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

Ms. Burkhart reported there have been no internal audit reports issued since the last meeting of the Audit and Compliance Committee. The status of the current Internal Audit Plan for Fiscal Year 2022 was included in the meeting materials for the Committee’s review.

**Non-Public Executive Session**

The Committee adjourned the public session at 2:22 p.m. and entered non-public executive session at 2:24 p.m. to discuss audits and investigations. The non-public executive session adjourned at 2:29 p.m.

Respectfully submitted,  
Audit and Compliance Committee





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: March 15, 2022

SUBJECT: **Report of Conflict of Interest  
Disclosures in 2021**

PRESENTER: Drew Harpool  
Assistant Vice-President,  
Office of Compliance and Enterprise  
Risk Management

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**BACKGROUND INFORMATION:**

In the Audit and Compliance Committee (“Committee”) Charter Section IV. Responsibilities, G.4, the Committee is to ensure that all potential conflicts of interest are adequately resolved and documented.

Included in the materials is the 2021 report of the conflict of interest disclosures reviewed by the Conflict of Interest Committee.



**Conflict of Interest Committee**  
 Middle Tennessee State University  
 1301 East Main Street  
 Murfreesboro, Tennessee 37132



February 16, 2022

Dr. Sidney A. McPhee, President  
 Middle Tennessee State University  
 1301 East Main Street  
 Murfreesboro, TN 37132

Dear Dr. McPhee:


This is the 2021 calendar year report for the Conflict of Interest Committee (Committee). Per MTSU Policy 12 Conflict of Interest, the Committee is an advisory group reporting to the President’s Office. The Committee will evaluate conflict of interest (COI) disclosures and determine whether a conflict exists. For any conflict that is not a violation of federal or state law, the Committee is permitted to make the following determinations: 1) the conflict is de minimis and is permitted to continue; 2) the conflict may be managed by placing restrictions on the employee; or 3) the conflict may not be managed so the employee must eliminate the conflict.

Below is a summary of the types of conflict of interest disclosures reviewed and the Committee’s conclusions for 2021. There were no conflicts identified as violations of federal or state law.

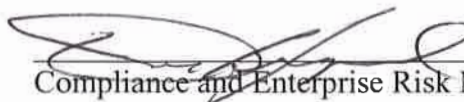
<u>Type of Disclosure</u>	<u>No COI</u>	<u>De Minimis</u>	<u>Managed</u>	<u>Eliminated</u>	<u>Referred to Academic Affairs</u>	<u>Totals</u>	<u>Prior Year Totals</u>
Educational Materials	-	-	3	-	-	3	1
Acceptance of Gifts	-	-	-	-	-	-	1
Family Relationship	-	-	1	-	-	1	3
Consensual Relationship	-	-	-	-	-	-	-
Financial/Business Interest	-	-	2	1	-	3	8
Other	-	-	-	-	-	-	2
<b>Total Disclosures Reviewed</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>1</b>	<b>-</b>	<b>7</b>	<b>15</b>

If you have any questions or need any additional information, please contact Mr. Drew Harpool, Assistant Vice-President, Office of Compliance & Enterprise Risk Management at 615-494-8812. This report will be presented to the Audit and Compliance Committee as an informational item.

Respectfully submitted,  
 Members of the COI Committee

  
 Office of University Counsel

  
 Business and Finance

  
 Compliance and Enterprise Risk Management

  
 Audit and Consulting Services





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: March 15, 2022

SUBJECT: **Review of President's Statement of  
Disclosure of Interests for 2022**

PRESENTER: Brenda Burkhart  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

MTSU Policy 12 Conflict of Interest, Section VII. E.1 states, "The President's disclosure [Form ss8005] shall be evaluated by the Board of Trustees or a duly appointed committee thereof."

The Audit and Compliance Committee is charged with assisting the Board in exercising oversight of standards of conduct and ensuring compliance with legal and regulatory requirements. Dr. McPhee's 2022 Disclosure of Interests form is presented for the Committee's review.





## Confirmation

Thank you for filing your Statement of Disclosure of Interests (ss-8005) online at TN.gov. Your confirmation details are below. You will receive an e-mail confirmation shortly.

If you have any questions, contact the Tennessee Ethics Commission at [ethics.counsel@tn.gov](mailto:ethics.counsel@tn.gov) or 615-741-7959.

Please print this page for your records.

Print

## Confirmation Details

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Confirmation Number: [1641911422900]

## Report Year

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2022

## Date of Filing

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2022-01-11

## Filer Contact Information

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**SIDNEY MCPHEE**  
MIDDLE TENNESSEE STATE UNIVERSITY, 1301 EAST MAIN ST - CAB 204  
MURFREESBORO, TENNESSEE 37132  
Email: [Sidney.McPhee@mtsu.edu](mailto:Sidney.McPhee@mtsu.edu)  
Home: (615) 898-5760 Ext.  
Work: (615) 898-5825 Ext.

## Office Held or Sought

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Incumbent  
President - University governed by Board of Trustees

## Sources of Income

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SUN TRUST BANK BOARD MURFREESBORO, TN : Income received by: Filer

SUN TRUST BANK BOARD NASHVILLE, TN : Income received by: Filer

CONSULTING SERVICES FOR BAHAMAS MINISTRY OF TOURISM : Income received by: Filer

## Investments

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TIAA CREF SUPPLEMENTAL RETIREMENT FUND Held by: Filer

AIG VALIC RETIREMENT FUND; STATE OF TN RETIREMENT Held by: Spouse

## Lobbying

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None

## Professional Services

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None

## Retainer Fees

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SUN TRUST BANK BOARD MURFREESBORO, TN

SUN TRUST BANK BOARD NASHVILLE, TN

## Bankruptcy

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None

## Loans

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None

## Certification

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**I certify.**

You certify that all of the information you have entered is true, correct, and complete in accordance with the Conflict of Interest Disclosure Act to the best of your knowledge.

I, the undersigned, do hereby witness that the above information was entered in my presence.

**Witness Name** KIMBERLY EDGAR

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**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: March 15, 2022

SUBJECT: **Report on Compliance with Public  
Records Policy**

PRESENTER: James Floyd  
University Counsel

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**BACKGROUND INFORMATION:**

MTSU Policy 120 Public Records, Section III.B.3 requires the Public Records Coordinator to annually report to the Board concerning the institution's compliance with the Tennessee Public Records Act and make recommendations, if any, for revisions to this policy.

A summary of the number of records requests received in 2021 is provided for the Committee's review.



## Annual Summary of Records Requests Received for 2021

<b>2021 Records Requests</b>	Denied	Provided	Total
Athletics - Reports	10	14	24
Athletics-Coach Contracts	7	14	21
Procurement/Contracts	42	8	50
Employment Records	2	7	9
Misc.	6	15	21
Police Reports	0	4	4
Student Records	14	12	26
<b>TOTAL</b>	<b>81</b>	<b>74</b>	<b>155</b>

For comparison purposes, the prior four year requests received were as follows:

Year	Requests Received
2020	156
2019	170
2018	124
2017	59

For the past two years, the difference in the number of requests was one.





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: March 15, 2022

SUBJECT: **Results of External Reviews**

PRESENTER: Brenda Burkhart  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

**1. TN Comptroller of the Treasury, Financial and Compliance Audit Report for the Year Ended June 30, 2021**

The Tennessee Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2021 on February 24, 2022. The independent auditor's report included unmodified opinions on the fairness of the presentation of the financial statements. The audit report contained no audit findings. A copy of the "Audit Highlights" page from the audit report is included in the materials for your review.

A complete copy of the audit report is located on the Comptroller of the Treasury webpage at:

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/cu21071.pdf>

**2. TN Comptroller of the Treasury, NCAA Agreed-Upon Procedures Applied to the Athletic Programs Statement of Revenues & Expenses for the Year Ended June 30, 2021**

On January 13, 2022, the Tennessee Comptroller of the Treasury released the results of the agreed-upon procedures applied to the statement of revenues and expenses of the athletics programs in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021. There were no exceptions noted.

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit

## Middle Tennessee State University

For the Year Ended June 30, 2021

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### Opinions on the Financial Statements

The opinions on the financial statements are unmodified.

### Audit Findings

The audit report contains no findings.







**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: March 15, 2022

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. Review of Controls to Protect Personal Identifiable Information for the Period July 1, 2020 to December 31, 2021. There were no reportable issues.

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



**Middle Tennessee State University  
Internal Audit Plan  
Fiscal Year Ended June 30, 2022  
as of February 25, 2022**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2021	Completed 8/6/2021	No Reportable Issues
R	FM	Cash Counts FY2021	Completed 8/5/2021	No Reportable Issues
R	GV	Audit of President's Office	Completed 11/11/2021	No Reportable Issues
I	SS	INV1702	In Progress	
I	AA	INV1705	In Progress	
I	AA	INV1801	In Progress	
I	AT	INV1904	In Progress	
I	SS	INV2201	In Progress	
I	FM	INV2202	Administratively Closed 10/12/2021	No Reportable Issues
I	FM	INV2203	In Progress	
I	AA	INV2204	In Progress	
I	SS	INV2205	In Progress	
P	GV	IIA - Self Assessment & QAR	In Progress	
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
I	GV	Unscheduled Investigations	Scheduled	
R	FM	Cash Counts FY2022	Scheduled	
R	FM	Year-End Inventory FY2022	Scheduled	
A	IT	Risk/Controls: PII Compliance	Completed 2/24/2022	No Reportable Issues
A	IT	Risk/Controls: Vendor Provided Services	Scheduled	
A	MC	Marketing & Communications	Scheduled	
A	FM	Payroll	Scheduled	
A	AA	Research Services Procedural Review	Scheduled	
A	FM	Property Management Contract Review	Scheduled	

**Audit Types:**

A - Risk-Based (Assessed)  
C - Consulting  
F - Follow-up Review  
I - Investigation  
M - Management's Risk Assessment  
P - Project (Ongoing or Recurring)  
R - Required  
S - Special Request

**Area = University Division**

AA - Academic Affairs  
AD - Advancement  
AT - Athletics  
FM - Financial Management  
GV - Governance/Executive Office  
IT - Information Technology  
MC - Marketing and Communications  
SS - Student Services