



Middle Tennessee State University Board of Trustees Audit and Compliance Committee

Tuesday, March 14, 2023

MEC Meeting Room – 2nd Floor
Miller Education Center
503 East Bell Street
Murfreesboro, Tennessee 37132



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

Tuesday, March 14, 2023

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

Report of Conflict of Interest Disclosures in 2022 (Information)Tab 2

Review of President’s Statement of Disclosure of Interests for 2023 (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, 2022
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, 2022
3. Tennessee Department of Transportation, Finance Office, Fiscal Monitoring Section, December 20, 2022
4. U.S. Small Business Administration – Financial Examination of the Tennessee Small Business Development Center, Program Year 2020

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 14, 2023

SUBJECT: **Approval of Minutes**

PRESENTER: Tom Boyd
Committee Chair

BACKGROUND INFORMATION:

The Audit and Compliance Committee met on November 15, 2022. 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 15, 2022 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 11:20 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees J.B. Baker, Rick Cottle, Pete DeLay, Steve Smith, Pam Wright, and Drew Carpenter. A quorum was declared present.

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

Approval of Minutes - Action

The first agenda item was approval of the minutes from the August 16, 2022 Audit and Compliance Committee meeting. Trustee Wright moved to approve the minutes from the August 16, 2022 meeting and Trustee Cottle seconded the motion. A voice vote was taken and, with all Committee members voting "Aye," the motion to approve the minutes from the August 16, 2022 meeting of the Audit and Compliance Committee carried unanimously.

Quarterly Report – Results of Internal Audit Reports – Information

Ms. Snodgrass 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 2023 was included in the meeting materials for the Committee's review.

Results of External Reviews – Information

Ms. Snodgrass reported there have been no external reviews/reports since the last meeting of the Audit and Compliance Committee. However, it was reported to Audit and Consulting Services that Tennessee Department of Finance and Administration, Office of Criminal Justice Programs (OCJP) required MTSU to submit a Corrective Action Plan (CAP) due to the University submitting an invoice for the STOP Grant after the final deadline. The late submission was caused by staff turnover in positions associated with the grant. OCJP approved the invoice for payment and required the University to submit a CAP in order to mitigate the risk of the error occurring in the future. The CAP was provided on October 11, 2022 and OCJP responded the CAP was adequate and in compliance with OCJP requirements.

Non-Public Executive Session

The Committee adjourned the public session at 11:24 a.m. and entered non-public executive session at 11:26 a.m. to discuss audits and investigations. The non-public executive session adjourned at 11:38 a.m.

Respectfully submitted,
Audit and Compliance Committee



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: March 14, 2023

SUBJECT: **Report of Conflict of Interest
Disclosures in 2022**

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

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 2022 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 22, 2023

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

Dear Dr. McPhee:

This is the 2022 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 2022. 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	-	-	1	-	-	1	3
Acceptance of Gifts	-	-	-	-	-	-	-
Family Relationship	-	-	-	-	-	-	1
Consensual Relationship	-	-	-	-	-	-	-
Financial/Business Interest	-	-	-	-	-	-	3
Other	-	-	-	-	-	-	-
Total Disclosures Reviewed	-	-	1	-	-	1	7

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

(on behalf of James Floyd)
 Office of University Counsel Business and Finance

Digitally signed by Alan R. Thomas, Vice President for Business and Finance
 Date: 2023.02.23 12:18:54 -06'00'

Drew Harpool
 Digitally signed by Drew Harpool
 Date: 2023.02.23 10:11:58 -06'00'
 Compliance and Enterprise Risk Management

Diane B. Snodgrass
 Digitally signed by Diane B. Snodgrass
 Date: 2023.02.23 10:37:52 -06'00'
 Audit and Consulting Services

Middle Tennessee State University is an AA/EEO employer and does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: Executive Director of Institutional Equity and Compliance, 1301 E. Main Street, CAB 116, Murfreesboro, TN 37132, 615-898-2185. Additionally, the MTSU Title IX Coordinator, designated to monitor and oversee Title IX complaints, may be contacted at: Sam Ingram Building 2269 Middle Tennessee Blvd. Murfreesboro, TN 37132 615-898-5133, or via this webpage: <http://www.mtsu.edu/titleix/>.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: March 14, 2023

SUBJECT: **Review of President's Statement of
Disclosure of Interests for 2023**

PRESENTER: Diane Snodgrass
Interim Chief Audit Executive

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 2023 Disclosure of Interests form is presented for the Committee's review.

Tennessee Ethics Commission



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 or 615-741-7959.

Please print this page for your records.

Print

Confirmation Details

Confirmation Number: [1673455104081]

Report Year

2023

Date of Filing

2023-01-11

Filer Contact Information

SIDNEY MCPHEE

MIDDLE TENNESSEE STATE UNIVERSITY, 1301 EAST MAIN ST - CAB 204
MURFREESBORO, TENNESSEE 37132

Email: Sidney.McPhee@mtsu.edu

Home: (615) 898-5760 Ext.

Work: (615) 898-5825 Ext.

Office Held or Sought

Incumbent

President - University governed by Board of Trustees

Sources of Income

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

CONSULTING SERVICES FOR THE COLLEGE OF THE BAHAMAS - MINISTRY OF EDUCATION AND FINANCE :
Income received by: Filer

Investments

TIAA CREF SUPPLEMENTAL RETIREMENT FUND Held by: Filer

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

Lobbying

None

Professional Services

None

Retainer Fees

SUN TRUST BANK BOARD MURFREESBORO, TN

SUN TRUST BANK BOARD NASHVILLE, TN

Bankruptcy

None

Loans

None

Certification

I certify.

I understand that, pursuant to Tenn. Code Ann. 8-50-507, submitting a disclosure or amendment to a disclosure form which contains false or incomplete information may subject me to the penalties of perjury. The information contained in this disclosure or amendment to a disclosure form is true, complete, and correct to the best of my knowledge, information, and belief.

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 14, 2023

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

PRESENTER: James Floyd
University Counsel

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 2022 is provided for the Committee's review.

Annual Summary of Records Requests Received for 2022

2022 Records Requests	Denied	Provided	Total
Athletics - Reports	11	2	13
Athletics-Coach Contracts	10	15	25
Procurement/Contracts	7	29	36
Employment Records	1	11	12
Misc.	5	14	19
Police Reports	3	5	8
Student Records	5	8	13
TOTAL	42	84	126

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

Year	Requests Received
2021	155
2020	156
2019	170
2018	124

Twenty-nine fewer requests were received in 2022 compared to 2021.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: March 14, 2023

SUBJECT: **Results of External Reviews**

PRESENTER: Diane Snodgrass
Interim Chief Audit Executive

BACKGROUND INFORMATION:

1. TN Comptroller of the Treasury, Financial and Compliance Audit Report for the Year Ended June 30, 2022

The Tennessee Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2022 on February 1, 2023. 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/2023/cu22085.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, 2022

On January 11, 2023, 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, 2022. The auditors noted two “significant differences between the amounts in the athletic accounts in the general ledger and the amounts on the statement.” The differences were corrected in the statement included with the report.

3. Tennessee Department of Transportation, Finance Office, Fiscal Monitoring Section, December 20, 2022

The Tennessee Department of Transportation (TDOT), Division of Finance, Fiscal Monitoring Group completed a desk monitoring review of two contracts between MTSU and TDOT. No findings of noncompliance were identified during the desk review and no further action is required at this time.

4. U.S. Small Business Administration - Financial Examination of the Tennessee Small Business Development Center, Program Year 2020

The U.S. Small Business Administration transmitted the financial examination report for the Tennessee Small Business Development Center (TN-SBDC) for the 2020 program year on February 24, 2023. The scope of the financial examination focused on validating the adequacy of the TN-SBDC procedures for network financial management to ensure compliance with financial laws, regulations, and policies of the Small Business Development Center (SBDC) Program. Overall, the TN-SBDC is in compliance with the financial objectives of the SBDC Program. There were no findings requiring attention.

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, 2022

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 14, 2023

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

PRESENTER: Diane Snodgrass
Interim Chief Audit Executive

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 projects were completed:

1. Audit of the Office of the President for Fiscal Year 2022 is an annual audit required by state law. There were no reportable issues.
2. Special Review of Faculty and Non-faculty Sick Leave Banks for the Period January 1, 2019 – July 8, 2022. Management has taken corrective action to improve the operation, processes, recordkeeping, and oversight of the sick leave banks. Additionally, management terminated the supervisor responsible for the sick leave banks.

The current status of the Internal Audit Plan for Fiscal Year 2023 is included for the Committee's review.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2023
as of February 27, 2023**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2022	Completed 7/28/2022	No Reportable Issues
R	FM	Cash Counts FY2022	Completed 7/28/2022	No Reportable Issues
R	GV	Audit of President's Office	Completed 11/18/2022	No Reportable Issues
R	AT	Football Attendance 2022	In Progress	
I	SS	INV1702	In Progress	
I	AA	INV1705	In Progress	
I	AA	INV1801	In Progress	
I	SS	INV2201	In Progress	
I	FM	INV2301-Special Review of Sick Leave Banks	Completed 11/29/2022	2 Recommendations
I	IT	INV2302	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 FY2023	Scheduled	
R	FM	Year-End Inventory FY2023	Scheduled	
A	IT	Risk/Controls: Vendor Provided Services	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	

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