



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

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Tuesday, November 14, 2023

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





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

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Tuesday, November 14, 2023

**AGENDA**

Call to Order and Opening Remarks

Roll Call

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

Quarterly Report – Results of Internal Audit Reports (Information).....Tab 2

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

1. Tennessee Comptroller of the Treasury, Comptroller’s Investigative Report – Middle Tennessee State University – Campus Outreach, August 23, 2023

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: November 14, 2023

SUBJECT: **Approval of Minutes**

PRESENTER: Tom Boyd  
Committee Chair

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**BACKGROUND INFORMATION:**

The Audit and Compliance Committee met on August 15, 2023. 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, August 15, 2023 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 10:50 a.m. and welcomed everyone in attendance.

**Roll Call**

The following Committee members were in attendance: Trustees J.B. Baker, Tom Boyd, Pete DeLay, Bill Jones, Christine Karbowski Vanek, Mary Martin, Steve Smith, Pam Wright, and Molly Mihm. A quorum was declared present.

President Sidney A. McPhee; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Sarah Sudak, Interim Vice President for Student Affairs; Alan Thomas, Vice President for Business and Finance; Diane Snodgrass, Interim 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 May 23, 2023 Audit and Compliance Committee meeting. Trustee DeLay moved to approve the minutes from the May 23, 2023 meeting and Trustee Vanek seconded the motion. A voice vote was taken and, with all Committee members voting "Aye," the motion to approve the minutes from the May 23, 2023 meeting of the Audit and Compliance Committee carried unanimously.

### **Annual Report for Audit and Consulting Services - Action**

The 2023 Annual Report for Audit and Consulting Services, which includes the audit plan for fiscal year 2024 was presented by Ms. Snodgrass for approval. Trustee Pam Wright moved to approve the Annual Audit Plan for 2024 and Trustee DeLay seconded the motion. A voice vote was taken and, with all Committee members voting “Aye,” the motion to approve the Annual Audit Plan for 2024 carried unanimously.

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

Ms. Snodgrass stated that there have been no internal audit reports issued since the last meeting of the Audit and Compliance Committee.

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

Ms. Snodgrass presented the results of one external review. The Tennessee Department of Health, Compliance and Ethics Office, Grant Monitoring Team conducted a review for a contract for the period October 1, 2022 through March 31, 2023. The review resulted in a finding that grantee Policy 03 reports were not filed in a timely manner. The Policy 03 report for the quarter ended 12/31/2022 was filed late. The Office of Research and Sponsored Programs determined the original report was submitted as required by the grant; however, due to miscommunication, this form was not received by the auditor. The university’s corrective action plan includes better communication between all parties, including state auditors, the Office of Research and Sponsored Programs, and the MTSU Grant Accounting Office; along with confirmation of receipt on future Policy 03 reports filed with the Tennessee Department of Health.

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

The Committee adjourned the public session at 11:00 a.m. and entered non-public executive session at 11:02 a.m. to discuss risk assessment reports, audits and investigations. The non-public executive session adjourned at 11:35 a.m. The public session reconvened at 11:39 a.m. for the final agenda item.



### **Risk Assessment Reporting - Action**

Mr. Drew Harpool, Associate Vice President for Business and Finance and Assistant Vice President Office of Compliance and Enterprise Risk Management, stated that annually the university must present risk assessments and report the risk assessments to State Audit. The risk assessments are presented to the Committee for review and approval prior to submission to State Audit. Trustee DeLay moved to approve the 2023 Risk Assessment Reports and Trustee Martin seconded the motion. A voice vote was taken and, with all committee members voting “Aye”, the motion to approve the 2023 Risk Assessment Reports carried unanimously.

### **Adjournment**

With no further business, the Committee adjourned at 11:40 a.m.

Respectfully submitted,

Audit and Compliance Committee

DRAFT





**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: November 14, 2023

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, the following audit projects were completed:

1. Audit of Inventories for Fiscal Year Ended June 30, 2023 which concluded the inventory counts were accurate. There were no reportable issues.
2. Cash Counts for Fiscal Year Ended June 30, 2023 were completed with no reportable issues.

The current 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 October 27, 2023**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2023	Completed 8/23/2023	No reportable Issues
R	FM	Cash Counts FY2023	Completed 8/22/2023	No reportable Issues
R	GV	Audit of President's Office	In Progress	
R	AT	Football Attendance 2023	NCAA Eliminated Requirement	Canceled
I	SS	INV1702	In Progress	
I	AA	INV1705	In Progress	
I	AA	INV1801	In Progress	
I	SS	INV2201	Referred to Comptroller's Office	Report Issued 8/23/23
I	SS	INV2304	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 FY2024	Scheduled	
R	FM	Year-End Inventory FY2024	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	

<p><b>Audit Types:</b></p> <p>A - Risk-Based (Assessed)</p> <p>C - Consulting</p> <p>F - Follow-up Review</p> <p>I - Investigation</p> <p>M - Management's Risk Assessment</p> <p>P - Project (Ongoing or Recurring)</p> <p>R - Required</p> <p>S - Special Request</p>	<p><b>Area = University Division</b></p> <p>AA - Academic Affairs</p> <p>AD - Advancement</p> <p>AT - Athletics</p> <p>FM - Financial Management</p> <p>GV - Governance/Executive Office</p> <p>IT - Information Technology</p> <p>MC - Marketing and Communications</p> <p>SS - Student Services</p>
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**Middle Tennessee State University  
Board of Trustees**

**Audit and Compliance Committee**

**Information Item**

DATE: November 14, 2023

SUBJECT: **External Reviews**

PRESENTER: Leah Ladley  
Chief Audit Executive

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**BACKGROUND INFORMATION:**

**1. Tennessee Comptroller of the Treasury, Comptroller’s Investigative Report – Middle Tennessee State University – Campus Outreach, August 23, 2023**

The Office of the Comptroller of the Treasury released the investigative report of selected records of MTSU -Campus Outreach for the period April 2014 through September 2021. The results of the investigation included individuals with Campus Outreach at MTSU collaborated to submit a false reimbursement request and a fabricated receipt to MTSU for payment of \$4,700; and Campus Outreach at MTSU also provided false information about its financial condition to MTSU as part of an updated application process for student organizations applying to be eligible for student activity fee reimbursements. The report included MTSU did not reimburse the \$4,700 reimbursement request. The report included an internal control deficiency that the Student Organizations and Service Office did not require Campus Outreach at MTSU to comply with the *Student Organization Handbook*. The report also stated university officials made significant updates to the student activity fee reimbursement procedures in 2021. The audit report is located on the Comptroller’s website:

<https://comptroller.tn.gov/content/dam/cot/ia/advanced-search/2023/college-university/MiddleTennesseeStateUniversityCampusOutreachReport.pdf>

Management corrected the internal control deficiency noted in the report in 2021 with the significant updates to the student activity fee reimbursement procedures.