



Middle Tennessee State University Board of Trustees Audit and Compliance Committee

Tuesday, August 20, 2019
1:00 p.m.

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, August 20, 2019
1:00 p.m.

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

Annual Report for Audit and Consulting Services (Approval)Tab 2

Results of External Reviews (Information)Tab 3

1. Tennessee Department of Finance and Administration, Office of Criminal Justice Programs
2. Comptroller’s Investigative Report – MTSU Office of International Affairs, July 30, 2019

Compliance and Enterprise Risk Management Update (Information)

1. Compliance and Risk Management Program Effectiveness – DOJ Measurements and EvaluationTab 4
2. Healthcare and HIPAA Compliance – University Pharmacy and Other Offices...Tab 5
3. European Union General Data Protection Compliance and International Partnerships – UpdateTab 6

Non-Public Executive Session – Discussion of Risk Assessments (Confidential Materials) and Audits/Investigations (Information)

Adjourn Non-Public Executive Session

Public Session – Risk Assessment Reporting (Action)Tab 7

Closing Remarks

Adjourn Public Session



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE:	August 20, 2019
SUBJECT:	Approval of Minutes
PRESENTER:	Christine Karbowiak Committee Chair

BACKGROUND INFORMATION:

The Audit and Compliance Committee met on May 29, 2019. 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 Wednesday, May 29, 2019, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order and Opening Remarks

Committee Chair Christine Karbowski called the meeting to order at 12:24 p.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees Andy Adams, Tony Johnston, Christine Karbowski, and Steve Smith. A quorum was declared present. Also present were Trustees J.B. Baker, Pete Delay, Darrell Freeman Sr., and Peyton Tracy. President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Cheryl Torsney, Vice Provost for Faculty Affairs; 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 Success; Brenda Burkhart, Chief Audit Executive; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

Approval of Minutes

The first agenda item was approval of the minutes from the April 3, 2019 Audit and Compliance Committee meeting. Trustee Smith moved to approve the minutes from the April 3, 2019 meeting and Trustee Johnston seconded the motion. A voice vote was taken and the motion to approve the minutes from the April 3, 2019 meeting of the Audit and Compliance Committee carried.

Follow-up Item from Prior Meeting

Ms. Burkhart stated the Tennessee Ethics Commission was contacted to request a revision to the on-line reporting form, "Statement of Disclosure of Interests for 2019," since the option "Incumbent President – College or Univ. governed by Board of Regents" is no longer accurate. For future reporting, the on-line form now has the following option for positions: "President – University governed by Board of Trustees."

Results of External Reviews

Ms. Burkhart presented the results of the review of the Tennessee Small Business Development Center (TN-SBDC) by the U.S. Small Business Administration for the 2017 program year. There were no findings. The TN-SBDC is in compliance with the financial objectives of the SBDC Program.

Quarterly Report – Results of Internal Audit Reports

Since the April 3, 2019 report of audit results to the Audit and Compliance Committee, no internal audit reports have been issued. The current status of the Internal Audit Plan for Fiscal Year Ended June 30, 2019 was included for the Committee's review.

The Committee adjourned its public session at 12:28 p.m. and entered non-public executive session at 12:30 p.m. to discuss audits and investigations. The non-public executive session adjourned at 1:01 p.m.

Respectfully submitted,

Audit and Compliance Committee



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE: August 20, 2019

SUBJECT: [Annual Report for Audit and Consulting Services](#)

PRESENTER: Brenda Burkhart
Chief Audit Executive

BACKGROUND INFORMATION:

TCA 49-14-102 along with the MTSU Board of Trustees Bylaws and Policy on Board Committees requires an annual comprehensive report on the internal audit function be submitted for the Committee's review. The report is submitted for the Committee's review.

MTSU Policy 70, Internal Audit, Section VII.C. requires approval of the audit plan by the Audit and Compliance Committee. The Internal Audit Plan for Fiscal Year 2020 is included on page 6 of the annual report and is presented to the Committee for approval.



Audit and Consulting Services

Annual Report Fiscal Year 2019

Audit and Consulting Services
Middle Tennessee State University
Murfreesboro, TN 37132

Audit and Consulting Services
Middle Tennessee State University
1301 East Main Street
Murfreesboro, TN 37132
Office: 615-898-2914 • Fax: 615-904-8046



July 26, 2019

MTSU Board of Trustees
Audit and Compliance Committee

and

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


Trustees and Dr. McPhee:

Enclosed is the annual report for Audit and Consulting Services for the 2019 fiscal year. An annual report of audit work is required by TCA 49-14-102 and the Bylaws and Policies of the MTSU Board of Trustees. The Board Committee policy requires a comprehensive report on the internal audit function to the Board through the Audit and Compliance Committee at a stated meeting. The report includes the status of the 2019 annual audit plan noting the audits completed, in progress, and scheduled but not completed.

The report also includes an update on the fraud awareness activities and investigations along with a report of the financial resources of Audit and Consulting Services.

This report fulfills the annual reporting requirements and provides information to the Board of Trustees concerning the 2019 audit efforts of Audit and Consulting Services. This report is intended solely for the internal use of Middle Tennessee State University and the MTSU Board of Trustees. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties should be approved by the Office of Audit and Consulting Services at Middle Tennessee State University.

Respectfully submitted,


Brenda H. Burkhart, CPA
Chief Audit Executive

Middle Tennessee State University
Audit and Consulting Services
Annual Report for Fiscal Year 2019

Introduction:

TCA 49-14-102 and the Bylaws and Policies of the MTSU Board of Trustees requires an annual report of audit work. The Board Committee policy requires a comprehensive report on the internal audit function to the Board through the Audit and Compliance Committee (ACC) at a stated meeting.

Audit Effort:

Audit and Consulting Services tracks audit effort by type of project and by university division. The majority of audit effort was in investigations, special requests/consulting and required projects within the following divisions: Academic Affairs, Athletics, Governance, Financial Management and Student Services. Page two of the report includes details and charts of audit effort. The status of the 2019 audit plan is located on page three.

Fraud Awareness:

When allegations of improper or dishonest acts by an employee, outside contractor or vendor are received, an investigation is required. Five new reviews were opened during the year. Three projects were administratively closed, two projects were referred to State Audit and two audit reports were issued. Five projects are still in progress and will be included on the FY 2020 audit plan. See page four for additional information.

Resources:

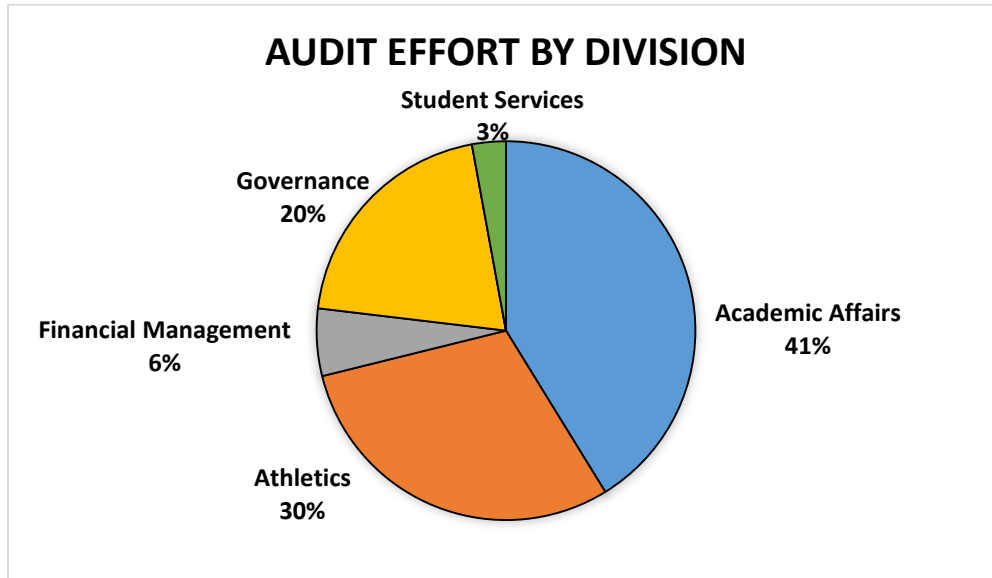
The current budget of \$452,840 is adequate to fulfill the current responsibilities. Evaluation of personnel resources will continue for fiscal year 2020 due to the resignation of an internal auditor and the need to expand the information technology audit effort. Details of the current budget and actual expenses for the past two years are located on page five.

Planned Audit Efforts for 2020:

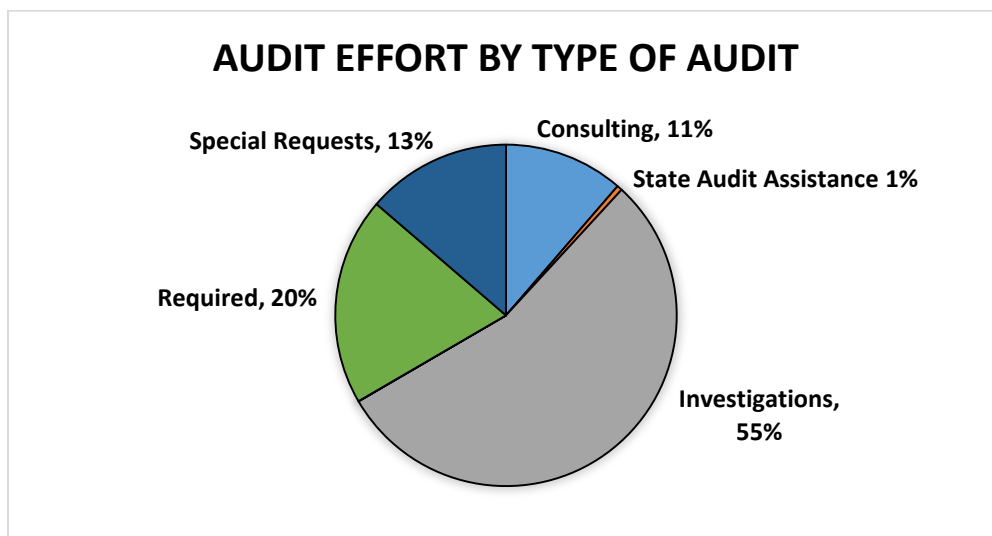
Along with the audits in progress and required audits, the planned audit effort for 2020 includes a review of the use of the mobile production truck and a required self-assessment review of the internal audit function. The self-assessment review is a requirement of the Quality Assurance and Improvement Program of The Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing*. The audit plan for 2020 is located on page six.

AUDIT EFFORT

Audit and Consulting Services tracks audit effort by type of project and by university division as shown with the following charts. For the chart Audit Effort by Division, Governance includes the President's Division and general institutional support. The majority of audit effort (91%) focused on projects within Academic Affairs, Athletics and Governance.



The type of audit work performed is defined by the source of the request or purpose of the audit work. Investigations represented 55% of the audit effort. Investigations began as a result of management referral of concerns of possible fraud, waste or abuse or a hotline complaint of possible improper or dishonest acts. Consulting (11%) represented efforts responding to general audit questions, assisting management with an audit concern and the Conflict of Interest Committee work. Required projects (20%) are the result of a third party request or agreement that an audit or review be performed. This audit effort included the annual audit of the President's Office which is required by state law and the Audit of Football Ticket Sales and Paid Attendance which is required by the National Collegiate Athletic Association (NCAA). The year-end reviews of inventory and cash counts are also included in this audit effort.



Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2019
as of June 30, 2019

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2018	Report Issued 9/26/18	No Reportable Issues
R	FM	Cash Counts FY2018	Memo to Management 8/8/18	No Reportable Issues
R	GV	Audit of President's Office	Report Issued 11/26/18	No Reportable Issues
I	SS	Special Review of Interfraternity Council's Bank Account For the Period January 1, 2014 - March 31, 2016 (INV1602)	Report Issued 3/21/19	5 Recommendations
I	AA	INV1604	Referred to State Audit	n/a
I	SS	INV1702	In Progress	
I	MC	Review of Marketing and Communications Contest Entry Fees for Fiscal Years 2016-2018 (INV1704)	Report Issued 9/5/18	No Reportable Issues
I	AA	INV1705	In Progress	
I	AA	INV1801	Draft Report	
I	AT	INV1802	Referred to State Audit	n/a
I	IT	INV1901	Administratively Closed 9/28/18	No Reportable Issues
I	FM	INV1902	Administratively Closed 8/7/18	No Reportable Issues
I	IT	INV1903	Administratively Closed 6/30/19	No Reportable Issues
I	AT	INV1904	In Progress	
I	FM	INV1905	In Progress	
R	AT	Football Attendance Fall 2018	Report Issued 2/6/19	No Reportable Issues
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	n/a
C	GV	General Consultation	Project Throughout Year	n/a
I	GV	Unscheduled Investigations	Project Throughout Year	n/a
R	FM	Cash Counts FY2019	In Progress	
R	FM	Year-End Inventory FY2019	In Progress	
P	GV	IIA - Self Assessment & QAR	Scheduled	
S	AA	Use of Aircraft	Draft Report	
A	AA	Research Services Procedural Review	Scheduled	
A	SS	Financial Aid 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

FRAUD AWARENESS

The University is committed to the responsible stewardship of resources and is required by state law to provide a means by which employees, students or others may report suspected or known improper or dishonest acts. Audit and Consulting Services manages the reporting process by which students, employees, taxpayers or other citizens may confidentially report suspected illegal, improper, wasteful or fraudulent activity. (TCA 49-14-103)

The “Fraud Awareness” brochure is a communication tool given to new employees that explains the reporting expectations and options for any individual who suspects improper or dishonest acts involving university employees, outside contractors or vendors. The “Fraud Awareness” information is also located on the Audit and Consulting Services webpage and includes an on-line reporting form.

When Audit and Consulting Services receives allegations of improper or dishonest acts by an employee, outside contractor or vendor, it is required to conduct an investigation. The purpose of the investigation or review is to determine if the allegation or concern is substantiated or unsubstantiated and if there are any internal control weaknesses or risks that management should address. If the allegation or concern is substantiated and corrective action is needed, an audit report is issued. A review is administratively closed with a memo to the file if the concern is unsubstantiated or referred to management or there are no recommendations for corrective action.

Below is a summary of the reviews pertaining to concerns of possible improper or dishonest acts.

Reviews brought forward from prior year	7
New reviews opened during year	<u>5</u>
Projects in Progress During the Year	12
Less Administratively Closed	(3)
Less Referred to State Audit	(2)
Less Reports Issued	<u>(2)</u>
Reviews in Progress at June 30, 2019	<u><u>5</u></u>

In 2019, five new reviews of possible improper or dishonest acts were opened which is one more than the three year average of four reviews per year. New reviews for the past three years were: 2 in 2018; 5 in 2017; and 4 in 2016.

The following audit reports were issued:

1. Review of Marketing and Communications Contest Entry Fees for Fiscal Years 2016-2018 which concluded there was a business purpose for the entry fee expenses so there were no recommendations.
2. Special Review of Interfraternity Council’s Bank Account for the Period January 1, 2014 – March 31, 2016 which included recommendations to improve compliance with the existing by-laws and procedures, improvements to the cash management process and a suggested policy revision. Management concurred with all recommendations and is taking corrective action.

RESOURCES

As defined in the MTSU Audit and Compliance Committee Charter, the Audit and Compliance Committee is responsible for ensuring Audit and Consulting Services has adequate resources in terms of staff and budget to effectively perform its responsibilities. The following is the estimated budget for 2019-2020 compared to the actual expenses of the prior two fiscal years.

	Estimated Budget (1)	Actual Expenses	Actual Expenses
	2019-2020	2018-2019	2017-2018
Salaries:			
Chief Audit Executive	\$ 104,597	\$ 104,996	\$ 103,450
Assistant Director	64,882	64,620	61,739
Internal Auditors, 2 Professionals	89,133	81,371	85,876
Support Staff	28,461	27,993	26,844
Longevity for Professional Staff	8,200	8,000	7,800
Benefits	134,484	146,730	154,861
Total Salaries and Benefits	\$ 429,757	\$ 433,710	\$ 440,570
Travel	15,500	10,540	9,057
Operating Expenses	7,583	4,431	4,089
Total Budget/Expenses	\$ 452,840	\$ 448,681	\$ 453,716
Other Funding:			
Carry Forward from Prior Audit			
Services Revenue (2)	\$ 31,291	\$ 31,291	\$ 32,848
(1) Estimated budget for FY 2019-2020. Budgets are finalized in October 2019.			
(2) At June 30, 2015 the audit services contracts with two community colleges ended with generated revenue of \$43,450. The revenue was designated to fund conference/training travel for the auditors. Each year the unspend funds are carried forward into the next fiscal year.			

The 2019-2020 budget for Audit and Consulting Services is adequate to fulfill the current responsibilities. Evaluation of personnel resources will continue for fiscal year 2020 due to the resignation of an internal auditor and the need to expand the information technology audit effort.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2020
as of July 25, 2019**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2019	In Progress	
R	FM	Cash Counts FY2019	In Progress	
R	GV	Audit of President's Office	In Progress	
I	SS	INV1702	In Progress	
I	AA	INV1705	In Progress	
I	AA	INV1801	Draft Report	
I	AT	INV1904	In Progress	
I	FM	INV1905	In Progress	
I	AA	INV2001	In Progress	
R	AT	Football Attendance Fall 2019	Scheduled	
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	n/a
C	GV	General Consultation	Project Throughout Year	n/a
R	FM	Cash Counts FY2020	Scheduled	
R	FM	Year-End Inventory FY2020	Scheduled	
P	GV	IIA - Self Assessment & QAR	Scheduled	
S	AA	Use of Aircraft	Draft Report	
S	AA	Use of Mobile Production Truck	Scheduled	
A	AA	Research Services Procedural Review	Scheduled	
A	SS	Financial Aid 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



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: August 20, 2019

SUBJECT: [Results of External Reviews](#)

PRESENTER: Brenda Burkhart
Chief Audit Executive

BACKGROUND INFORMATION:

The Tennessee Department of Finance & Administration, Office of Criminal Justice Programs conducted an on-site financial monitoring review and a program monitoring review on June 6, 2019 of the Victims of Crime Act (VOCA) funding with a current year maximum liability of \$58,196. Two reports were issued.

The financial monitoring review objectives were: 1) to assess the reliability of internal controls, 2) to test the reliability of the financial reporting, 3) to test if costs and services are allowable and eligible, and 4) to verify contractual compliance. There were no findings of noncompliance in this report.

The program monitoring review objectives were: 1) to verify program implementation, 2) to test the reliability of the programmatic reporting, 3) to test if services and activities are allowable and eligible, and 4) to verify contractual compliance. This report included the following five findings:

1. VOCA funded staff do not consistently offer victim compensation information to clients.
2. The Project Director had not completed the grants required Title VI training program within 90 days of the contract but had completed the University's Title VI annual training.
3. The agency failed to submit a VOCA Quarterly Report by the due date.
4. The agency does not have an adequate system for tracking client activities/services.
5. Agency personnel funded less than 100% on the grant do not have a system in place to provide accurate accounting of time spent on the grant funded project.

Management implemented corrective action and the TN Department of Finance & Administration agreed the corrective action adequately addresses the findings and is in compliance with the grant requirements.

2. Comptroller's Investigative Report – MTSU Office of International Affairs, July 30, 2019

The Office of the Comptroller of the Treasury released the investigative report concerning the Office of International Affairs on July 30, 2019. The report concluded that the former International Recruiter misappropriated funds totaling at least \$39,750 and submitted other questionable documentation totaling at least \$5,010. The Rutherford County Grand Jury indicted the former International Recruiter on one count of Theft over \$10,000, one count of Forgery over \$10,000, one count of Criminal Simulation over \$10,000 and one count of Official Misconduct.

The investigation revealed an internal control deficiency of improper reimbursements of meal per diem made to the former international recruiter even though meals were included in the recruitment tour registration fees. MTSU policy prohibits the claiming of a separate meal per diem by an employee when meals are included as part of the registration fees. The audit report is located on the Comptroller's website:

<https://comptroller.tn.gov/content/dam/cot/ia/advanced-search/2019/education/MTSUInternationalReport.pdf>

Management has taken corrective action by requiring stricter review of the international recruiter's travel. The Business Office requires direct payment of expenses with vendors when possible and cash advances require justification of the expenses that require cash payments.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: August 20, 2019

SUBJECT: [Compliance and Risk Management
Program Effectiveness –DOJ
Measurements and Evaluation](#)

PRESENTER: Gené Stephens
Assistant Vice President
Office of Compliance and Enterprise
Risk Management

BACKGROUND INFORMATION:

In April 2019, the Criminal Division of the United States Department of Justice (“DOJ”) provided updates to its evaluation of organizational Compliance Programs. The following three questions, known as the DOJ’s “fundamental questions,” are utilized by its Criminal Division to determine an organization’s compliance program performance:

1. Is the corporation’s compliance program well-designed?
2. Is the program being applied earnestly and in good faith? In other words, is the program being implemented effectively?

3. Does the corporation's compliance program work, in practice?

The first of the DOJ's questions incorporates risk assessment/management; policies and procedures; training and communication; confidential reporting and investigatory processes; third-party management; and mergers and acquisitions. The second of DOJ's questions looks at the commitment of senior and middle management to an organization's compliance program, including management "conduct at the top," shared commitment to compliance strategy and remediation efforts, and Board-level oversight. The second question additionally incorporates the elements of autonomy and resources, and incentives and disciplinary measures.

Finally, the third question from the DOJ considers whether an organization's compliance program demonstrates continuous improvement, periodic testing, and review; investigations of misconduct; and analysis and remediation of any underlying misconduct.

Utilizing the DOJ's three evaluation questions and embedded elements, the following are responses regarding MTSU's compliance and risk management program.

1. Well-Designed Compliance Program

The University's compliance program ("Program") combines written policies and procedures with actual, measurable initiatives that translates into: (a) employee recognition and compliance with conflicts of interest reporting and procedures; (b) genuine efforts to complete compliance-related trainings, whether in-person or electronic, including, but not limited to, Ethics, HIPAA Privacy and Security, FERPA, Title IX, Title VI, Title VII, certain Facilities training, and information technology training; and (c) participation in risk assessment activities, records management procedures, and risk reduction. In addition, the University's Program is designed to integrate management oversight and feedback with operational controls in the areas of finance; development; student affairs; information technology and cybersecurity; academic affairs and programs; strategic planning (including construction, facilities, and capital improvements); and community engagement.

Opportunities for improvement exist within the Program to: (a) reduce certain risks in Athletics compliance; (b) increase the number of employee completers of electronic compliance trainings; (c) reduce the risks involved with University-cosponsored summer camps; and (d) secure sustainable funding for the hiring of full-time, experienced, educated staff to support Program monitoring, training, and identification of risks. Most recently, the University developed a Work Group to address Athletics Coaching Conduct, student athlete mental health needs, and procedures for handling incidences of noncompliance with a newly written Coaching Code of Conduct. The Work Group was supported by the University's President and Athletics administration.

In addition, a review of strategies to reduce incidences and risk during summer camps is ongoing to ensure the protection and safety of minors on campus. Likewise, Program training continues to be reviewed, revised, and tracked to increase employee completers. Feedback received from employees has been assistive in the implementation of revisions to trainings.

Finally, discussions continue regarding the need for full-time staff to effectively sustain Program activities, including monitoring and training.

The University's system of internal financial controls, however, remains among its strongest areas, as MTSU has consistently received zero findings for three consecutive years from the State of Tennessee's Audit office. Financial procedures and policies are well documented and tracked, as are the documentation and controls of the University's investments, fundraising, and annual-giving campaign activities.

2. Program Application (Earnest, Good Faith Efforts) – Effective Implementation

As noted above, the University initiates actual and measurable policies and procedures that translates into actionable results, as evidenced by State financial audits of zero findings in recent years, as well as recognition by the State's Record Management Division ("State RMD") of MTSU's earnest and good faith efforts to develop, maintain, monitor, and revise its records management process, which includes the protection, retention, destruction, and on-site storage of paper and electronic records. Specifically, and as one example, MTSU has been the only State agency to submit its Records Holding Report to the State

RMD by, or before, June 30 for the last two consecutive years. Additional compliance and risk management program activities, including the completion of annual risk assessments from the University's various Divisions, are further indicative of MTSU's commitment to internal controls through thoughtful review; shared governance that includes Faculty and staff feedback; continuous training; ongoing communication; and a commitment to risk management and risk reduction.

In addition, the University ensures the accessibility of the Program through monthly communications; mechanisms to report fraud, waste, and abuse; newsletters; and, more recently, the inclusion of a Compliance Hotline to report Program and risk management concerns.

3. Program's Work in Practice

The University's Program works in practice, both through its documentation and internal control procedures. Efforts to continuously improve the Program and/or to revise procedures based on operational, business, or regulatory needs have been, and remain, effective. All of the aforementioned practices, documentation, policies, and internal controls, as well as feedback from external regulatory agencies, illustrates and demonstrates MTSU's Compliance and Risk Management Program at work and in daily practice.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: August 20, 2019

SUBJECT: **Healthcare and HIPAA Compliance –
University Pharmacy and Other
Offices**

PRESENTER: **Gené Stephens
Assistant Vice President
Office of Compliance and Enterprise
Risk Management**

BACKGROUND INFORMATION:

The University's Campus Pharmacy is regulated by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Other University activities involving healthcare providers and healthcare billing companies also are covered under HIPAA and utilize healthcare Business Associates agreements to further comply with HIPAA's Privacy and Security rules.

The following are updates regarding the University's healthcare compliance activities:

1. Creation of a University Health Services and Campus Pharmacy Operational Guide, including information about patient privacy rights.

2. Updates to Policy 85, HIPAA, pursuant to regulatory updates by the Office of Civil Rights and the United States Department of Health and Human Services regarding the increased liability of Business Associates under HIPAA.
3. Enhanced data security of email transmissions of protected health information and/or healthcare billing through Secure Send software (the training and uploading of Secure Send was provided by the Information Technology Division).
4. A HIPAA compliance review and site visit to the University's Speech and Audiology Clinic in response to a Program Assessor's request (the results of the compliance review were generally positive).
5. Annual, electronic HIPAA training of all Health Services and Campus Pharmacy staff.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: August 20, 2019

SUBJECT: [European Union General Data
Protection Compliance and
International Partnerships - Update](#)

PRESENTER: Gené Stephens
Assistant Vice President
Office of Compliance and Enterprise
Risk Management

BACKGROUND INFORMATION:

Data Update

The University continues to monitor activities related to the European Union's ("EU") General Data Protection Regulation ("GDPR"). Currently, the University monitors the number of EU employment applicants and incoming students. Each semester, the Office of Compliance and Enterprise Risk Management ("CAERM"), in collaboration with the Information Technology Division, provides updates to the number of students from EU countries. In addition, CAERM, in collaboration with the Office of Human Resources, tracks the number of employment applicants from EU countries.

As of mid-July, the following provides details of the number of employment applicants and enrolled students from EU countries:

1. Employment Applicants: 335 (as of July 10, 2019) – small increase
2. Students: 125 (as of July 10, 2019) – small increase
3. Active employees: 27 (includes known dual citizens of the EU and US) – small increase

Data Protection Impact Assessments

At this time, there is still not a need for the University to perform Data Protection Impact Assessments as defined by Article 35 of GDPR, as there is an absence of high risk to the data protection rights and freedoms of those EU students and employees who have agreed to the processing, use, and storage of their data for academic and/or other educational purposes. Instead, the University continues to perform and/or maintain:

1. Quarterly Information Security Reports (quarterly) documenting security incidents and instances of noncompliance (including data breaches and FERPA incidences).
2. Daily monitoring of the Security Information and Event Management (SIEM) system.
3. Annual information security training, including a new, brief module on EU Data Protection.
4. Software updates.
5. Multi-factor authentication.
6. Implementation of the Secure Send system, which integrates with email and allows for secure transfer of electronic files.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE: August 20, 2019

SUBJECT: [Risk Assessment Reporting](#)

PRESENTER: Gené Stephens
Assistant Vice President
Office of Compliance and Enterprise
Risk Management

BACKGROUND INFORMATION:

Section 9-18-104 of the Financial Integrity Act requires institutions of higher education to prepare and provide a management assessment of risk to the State of Tennessee's Commissioner of Finance and Administration and to the Comptroller of the Treasury by December 31 annually.

For 2019, the Divisions of Student Affairs, University Advancement, and Marketing and Communications performed, and provided, risk assessment reporting. In addition, a risk assessment report was completed detailing university-wide risk and control activities.

Similar to MTSU's risk assessment reporting of 2018, the risk assessment documents are designated as confidential and are discussed in the non-public executive session of the Committee. The risk assessment reports are presented to the Committee for approval prior to the reports' submission to the State, as required by law.