

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, March 16, 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 10:39 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees Tom Boyd, Pete DeLay, Mary Martin, Steve Smith, and Pam Wright. Trustee Christine Karbowski participated electronically and, pursuant to T.C.A. § 8-44-108(c)(3), she confirmed that she could hear clearly and no one was present in the room with her. A quorum was declared present.

Also present were Trustees J.B. Baker and Delanie McDonald. Trustee Darrell Freeman Sr. arrived while the meeting was in progress. 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; Jeff Farrar, Associate University Counsel and Acting 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 November 10, 2020 Audit and Compliance Committee meeting. Trustee Karbowski moved to approve the minutes from the November 10, 2020 meeting and Trustee Wright 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 10, 2020 meeting of the Audit and Compliance Committee carried.

The next action item on the agenda, Approval of Policy Revisions was moved to the end of the agenda and the following information items were presented.

Review of Conflict of Interest Disclosures in 2020 – Information

Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, presented for the Committee’s information the Report of Conflict of Interest Disclosures for 2020. There were 15 cases reviewed compared to 17 cases for the prior year.

Review of President’s Statement of Disclosure of Interests for 2021 – Information

Ms. Burkhart presented the President’s Statement of Disclosure of Interests for 2021 for information and the Committee’s review, noting there were no changes from the disclosures made in 2020.

Report on Compliance with Public Records Policy - Information

Mr. Farrar presented the Report on Compliance with Public Records Policy, Policy 120. A summary of the number of records requests received in 2020 was provided for the Committee’s review. Mr. Farrar noted there were 156 total requests and records were provided in response to a majority of these requests. He also stated that denials are typically based on the confidentiality of the record under Tennessee state law or the lack of Tennessee citizenship required by policy.

Results of External Reviews - Information

Ms. Burkhart presented the results of five external reviews. The Office of the Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2020 on February 11, 2021. The report included unmodified opinions on the fairness of the presentation of the financial statements and contained no audit findings. The Office of the Comptroller of the Treasury released the results of the agreed-upon procedures applied to the statement of

revenues and expenses of the athletics programs for the year ended June 30, 2020 on January 13, 2021. There were no exceptions noted.

The U.S. Small Business Administration transmitted the financial examination report for the Tennessee Small Business Development Center for the 2019 program year on January 13, 2021. There were no findings requiring attention.

The Tennessee Student Assistance Corporation completed a program desk review of MTSU's state financial aid programs for the 2019-2020 award year. The report concluded, "No substantive discrepancies were identified" and the financial aid staff was congratulated "on the quality of the administration of the institution's student financial aid programs."

The Comptroller of the Treasury issued an investigative report titled "Middle Tennessee State University – Somali Students Association and Muslim Students Association" which cited deficiencies in the review process of both the Office of Student Organizations and Service and the faculty advisors for the two student organizations. Management is implementing corrective action and a follow-up report of the corrective action will be presented at the next meeting of the Audit and Compliance Committee.

Quarterly Report – Results of Internal Audit Reports – Information

Ms. Burkhart presented the results of one internal audit report issued since the November 10, 2020 report of audit results to the Audit and Compliance Committee. The Audit of the Office of the President for Fiscal Year 2020 was completed with no reportable issues.

The status of the current Internal Audit Plan for Fiscal Year 2021 was included in the meeting materials for the Committee's review.

Approval of Policy Revisions – Action

Policy 90 Athletics Integrity and Conduct of Athletics Staff: Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, provided an overview

of the proposed revisions which were drafted to clarify that matters covered by the University's discrimination-based investigation policies (Policies 26, 27, and 29) and matters covered by NCAA or Conference-USA rules are not subject to review under Policy 90. Also, cross-references and policy names were updated and corrected.

Trustee Martin moved to approve the proposed revisions to Policy 90, Athletic Integrity and Conduct of Athletics Staff and Trustee Karbowski seconded the motion. Dr. McPhee provided background information to the committee regarding the development of this policy and process. A roll call vote was taken and, with all Committee members voting "Aye," the motion to approve the proposed revisions to Policy 90, Athletic Integrity and Conduct of Athletics Staff carried.

Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination: Christy Sigler, Interim Assistant to the President for Institutional Equity and Compliance provided an overview of the proposed revisions which were drafted to reflect the adoption of MTSU Policy 29 Title IX Compliance and to update job titles and terminology.

Trustee Wright moved to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination and Trustee Karbowski seconded the motion. Following discussions regarding terminology, wording, and references included in the revised policy, Trustee Wright withdrew the motion to approve the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination.

Trustee Boyd made a motion to postpone the approval of the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination and Trustee Smith seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to postpone the approval of the proposed revisions to Policy 25, Equal Opportunity, Affirmative Action, and Nondiscrimination carried.

Non-Public Executive Session

The Committee adjourned the public session at 11:08 a.m. and entered non-public executive session at 11:10 a.m. to discuss audits, investigations and litigation. The non-public executive session adjourned at 12:04 p.m.

Respectfully submitted,

Audit and Compliance Committee