

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE  
MINUTES**

The Audit and Compliance Committee met on Wednesday, April 3, 2019, in the MEC Training Room in the Miller Education Center at Middle Tennessee State University.

**Call to Order and Opening Remarks**

Committee Chair Christine Karbowskiak called the meeting to order at 10:03 a.m. and thanked everyone for being in attendance.

**Roll Call**

The following Committee members were in attendance: Trustees Tony Johnston, Christine Karbowskiak, and Steve Smith. A quorum was declared present. Committee member Trustee Andy Adams arrived for the meeting at 10:07 a.m. Also present were Trustees J.B. Baker, Pete Delay, Darrell Freeman Sr., Joey Jacobs, and Peyton Tracy. 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 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 November 13, 2018 Audit and Compliance Committee meeting. Trustee Smith moved to approve the minutes from the November 13, 2018 meeting and Trustee Johnston seconded the motion. A voice vote was taken

and the motion to approve the minutes from the November 13, 2018 meeting of the Audit and Compliance Committee carried.

### **Approval of Policy Revisions**

Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, presented the approval of policy revisions for two policies: Policy 10 Ethics and Code of Conduct and Policy 12 Conflict of Interest. Ms. Stephens reviewed the proposed revisions to both Policies 10 and 12. A motion was made by Trustee Johnston to approve the revisions to the two policies. Trustee Smith seconded the motion. A voice vote was taken and the motion to approve the revisions to the two policies carried.

### **Report of Conflict of Interest Disclosures in 2018**

Ms. Stephens additionally presented, for the Committee's information, a Report of Conflict of Interest Disclosures for 2018 (Report). Ms. Stephens discussed the 2018 Report and provided a brief summary of the conflict of interest disclosures reviewed by the Conflict of Interest Committee (COIC) pursuant to Policy 12, noting that sixteen cases were reviewed by the COIC. Ms. Stephens further commented that the majority of the cases were managed through mitigation plans, and one case was referred to the Division of Academic Affairs and the Office of Research and Sponsored Programs.

### **Review of President's Statement of Disclosure of Interests for 2019**

For information and the Committee's review, the President's Statement of Disclosure of Interests for 2019 (Form ss-8005) was presented by Ms. Burkhart. Ms. Burkhart noted there were no changes from the disclosures made in 2018 and the form is a public record on the Tennessee Ethics Commission webpage. Trustee Karbowski pointed out that under the heading "Office Held or Sought" the report read "Incumbent President – College or Univ. governed by Board of Regents" which is not accurate. Kim Edgar commented she assists Dr. McPhee with this every year. She stated the form is produced by the state which has not been updated and that was the best choice in the drop down box. Trustee Karbowski asked that we notify the Tennessee Ethics

Commission that “governed by Board of Regents” is no longer accurate and ask if the form could be updated for accuracy.

### **Report on Compliance with Public Records Policy**

The Report on Compliance with Public Records Policy was presented by Ms. Zimmerman. A summary of the number of records requests received in 2018 was provided for the Committee’s review. Ms. Zimmerman stated that denials are typically based on lack of Tennessee citizenship required by policy. She also stated that there are provisions in the policy and the rule that allow the university to charge for copying documents, which can be labor intensive depending on the type/number of records requested.

### **Results of External Reviews**

Ms. Burkhart presented the Results of External Reviews. Ms. Burkhart reported the financial and compliance audit report for the year ended June 30, 2018 issued by the Tennessee Comptroller of the Treasury on January 15, 2019 included unmodified opinions on the fairness of the presentation of the financial statements and contained no audit findings. The Tennessee Comptroller of the Treasury also completed the agreed-upon procedures applied to the statement of revenues and expenses of the athletics programs in compliance with the National Collegiate Athletic Association Bylaw 3.2.4.15 for the year ended June 30, 2018 with no exceptions noted.

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

Ms. Burkhart presented the Quarterly Report of Internal Audit Reports. Two audit reports (Office of the President for fiscal year 2018; and, football ticket sales and paid attendance for fall 2018) were issued with no reportable issues noted. The third audit report issued (Interfraternity Council bank account) included recommendations for compliance with existing by-laws and procedures, improvements to the cash management process, and a suggested policy revision. The current status of the Internal Audit Plan for Fiscal Year Ended June 30, 2019 was also included for the Committee’s review.

The Committee adjourned its public session at 10:19 a.m. and entered non-public executive session at 10:20 a.m. to discuss audits and investigations. The non-public executive session adjourned at 10:54 a.m.

Respectfully submitted,

Audit and Compliance Committee