



Middle Tennessee State University Audit and Compliance Committee

11:00 AM CDT
Tuesday
September 18, 2018

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



**Middle Tennessee State University
Audit and Compliance Committee**

Tuesday, September 18, 2018 – 11:00 am

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call
- III. Remarks by Committee Chairperson / President
- IV. Approval of the Minutes (Action) Tab 1
 - May 30, 2018 Meeting
 - August 28, 2018 Meeting
- V. Approval of 2019 Annual Audit Plan (Action) Tab 2
- VI. Non-Public Executive Session – Discussion of Risk Assessments (Confidential Materials);
and, Audits/Investigations (Information)
- VII. Adjourn Non-Public Executive Session
- VIII. Public Session – Risk Assessment Reporting (Action) Tab 3
- IX. Other Business
- X. Adjourn



**Middle Tennessee State University
Audit and Compliance Committee**

Tuesday, September 18, 2018

Tab 1

Approval of Minutes



**Middle Tennessee State University
Board of Trustees**

MEETING: Audit and Compliance Committee

SUBJECT: Minutes of May 30, 2018 and August
28, 2018 Audit and Compliance
Committee Meetings

DATE: September 18, 2018

PRESENTER: Andy Adams

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The Audit and Compliance Committee last met on August 28, 2018. A quorum was not present so the minutes from the May 30, 2018 meeting were not approved but deferred to this meeting for approval. The information items on the August 28, 2018 agenda were presented.

Minutes from the May 30, 2018 and August 28, 2018 meetings are provided for review and approval.

Minutes of the Audit and Compliance Committee

The Audit and Compliance Committee met on Wednesday, May 30, 2018 in the MEC Training Room in the MTSU Miller Education Center located at 503 East Bell Street. Trustee Christine Karbowiak, Audit and Compliance Committee Chair, called the meeting to order at 12:30 p.m. A quorum was present with the following Committee members in attendance: Chairwoman Christine Karbowiak, Board Chairman Steve Smith, Trustee Andy Adams and Trustee Tony Johnston. Trustees J.B. Baker, Joey Jacobs, Lindsay Weaver and Pam Wright were also present. Also present were President Sidney A. McPhee; Brenda Burkhart, Chief Audit Executive; 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; Heidi Zimmerman, University Counsel and Board Secretary; and Kim Edgar, Assistant to the President and Chief of Staff.

The first item on the agenda for action was the approval of the minutes from the November 29, 2017 and the March 13, 2018 Audit and Compliance Committee meetings. Trustee Smith made the motion to approve the minutes. The Motion was seconded by Trustee Adams. A voice vote was taken and the Motion to approve the minutes of the November 29, 2017 and the March 13, 2018 Audit and Compliance Committee meetings carried.

The next item on the agenda included informational items requested at the prior committee meeting regarding conflict of interest. Ms. Burkhart presented a

signed report summarizing the conflict of interest disclosures reviewed by the Conflict of Interest Committee for calendar year 2017. Ms. Burkhart also reported the Audit and Consulting Services webpage and the Fraud, Waste and Abuse brochure both address reporting of potential conflicts of interest.

The next item on the agenda for action was the approval of revisions to Policy 100 Use of Campus Property and Facilities Scheduling. Ms. Zimmerman presented this policy which included revisions for clarification, references to other policies, the Campus Free Speech Protection Act, the reservation procedure, and items prohibited on campus. Trustee Johnston made the motion to approve the policy. The Motion was seconded by Trustee Smith. A voice vote was taken and the Motion to approve the revisions to Policy 100 Use of Campus Property and Facilities Scheduling carried.

The next item on the agenda as an informational item was the Status of the Internal Audit Plan Quarterly Report presented by Ms. Burkhart.

The Committee adjourned its public session at 12:41 p.m. and entered non-public executive session at 12:43 p.m. to discuss audits and investigations. The non-public session adjourned at 1:07 p.m.

Respectfully submitted,

Audit and Compliance Committee

Minutes of the Audit and Compliance Committee

The Audit and Compliance Committee met on Tuesday, August 28, 2018 in the MEC Training Room in the MTSU Miller Education Center located at 503 East Bell Street. Trustee Andy Adams called the meeting to order at 1:30 p.m. A quorum was not present with the following Committee members in attendance: Trustee Andy Adams and Trustee Tony Johnston. Trustees J.B. Baker, Pete Delay, Darrell Freeman Sr., Peyton Tracy, and Pam Wright were also present. Also present were President Sidney A. McPhee; Brenda Burkhart, Chief Audit Executive; Gené Stephens, Assistant Vice President for Compliance and Enterprise Risk Management; 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; Heidi Zimmerman, University Counsel and Board Secretary; and Kim Edgar, Assistant to the President and Chief of Staff.

The first item on the agenda for action was the approval of the minutes from the May 30, 2018 Audit and Compliance Committee meeting. Because a quorum was not present this item was deferred to the next Audit and Compliance Committee meeting.

The remaining items on the agenda were informational items presented by Ms. Brenda Burkhart and Ms. Gené Stephens. Ms. Burkhart presented the 2018 Annual Report for Audit and Consulting Services and the quarterly report of the results of internal audit reports. The top trends and emerging issues in 2017 based

on The Auburn University Office of Audit, Compliance & Privacy monthly newsletter “Case in Point: Lessons for the proactive manager” were also presented by Ms. Burkhart.

Ms. Stephens presented updates on the following areas: MTSU’s compliance with the European Union’s General Data Protection Regulation; Records Management Reporting to the State of Tennessee; the Unmanned Aircraft Systems/Drones policy and process; Ethics Compliance; the Institutional Compliance Calendar which is an additional compliance program tool for institutional compliance and risk management; and processes used by MTSU to address the Department of Justice’s Filip Factors. Trustee Freeman requested the time frame for the submission of the unmanned aircraft systems use application be reviewed for possible reduction (currently fourteen calendar days prior to the proposed date of operation). Trustee Freeman also noted the policy should be reviewed to determine if it should be more restrictive.

The Committee adjourned its public session at 2:16 p.m. and entered non-public executive session at 2:18 p.m. to discuss audits and investigations. The non-public session adjourned at 2:23 p.m.

Respectfully submitted,

Audit and Compliance Committee



**Middle Tennessee State University
Audit and Compliance Committee**

Tuesday, September 18, 2018

Tab 2

Approval of 2019 Annual Audit Plan



**Middle Tennessee State University
Board of Trustees**

MEETING: Audit and Compliance Committee
SUBJECT: [Approval of 2019 Annual Audit Plan](#)
DATE: September 18, 2018
PRESENTER: Brenda Burkhart
ACTION REQUIRED: Voice Vote
STAFF RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The 2019 Annual Audit Plan was presented to the Committee at the August 28, 2018 meeting as part of the Audit and Consulting Services Annual Report.

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 2019 is presented to the Committee for approval.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2019
as of August 15, 2018**

Type	Area	Audit Project	Current Status	Audit Results
R	FM	Year-End Inventory FY2018	In Progress	
R	FM	Cash Counts FY2018	Memo to Management 8/8/18	No Reportable Issues
R	GV	Audit of President's Office	In Progress	
I	SS	INV1602	Draft Report	
I	AA	INV1604	In Progress	
I	SS	INV1702	In Progress	
I	MC	INV1704	Draft Report	
I	AA	INV1705	In Progress	
I	AA	INV1801	Draft Report	
I	AT	INV1802	In Progress	
I	IT	INV1901	In Progress	
I	FM	INV1902	Administratively Closed 8/7/18	No Reportable Issues
I	IT	INV1903	In Progress	
R	AT	Football Attendance Fall 2018	Scheduled	
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	Scheduled	
R	FM	Year-End Inventory FY2019	Scheduled	
P	GV	IIA - Self Assessment & QAR	Scheduled	
S	AA	Use of Aircraft	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
Audit and Compliance Committee**

Tuesday, September 18, 2018

Tab 3

Risk Assessment Reporting



**Middle Tennessee State University
Board of Trustees**

MEETING: Audit and Compliance Committee

SUBJECT: *Office of Compliance and ERM Update:
Risk Assessment Reporting*

DATE: September 18, 2018

PRESENTER: Gené Stephens

ACTION: Voice Vote

STAFF RECOMMENDATION: Approval

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. In addition, MTSU provides risk assessment reporting to the State of Tennessee's Auditor in late September.

For 2018, the Divisions of Business and Finance, and Academic Affairs performed, and provided, risk assessment reporting. In addition, a risk assessment report was completed detailing institution-wide risk and control activities.

Similar to MTSU's risk assessment reporting of 2017, the risk assessment documents are designated as confidential and are to be discussed in the non-public Executive session of the Audit and Compliance Committee. The three sets of risk assessment reports are presented to the Committee for review and approval prior to the reports' submission to the State, as required by law.

