

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, March 14, 2023 in the MEC Meeting Room in the Miller Education Center at Middle Tennessee State University.

Call to Order and Opening Remarks

Board Chairman Steve Smith began the committee meeting with the announcement that due to the death of Trustee Joey Jacobs he had asked Trustee Tom Boyd to chair the Audit and Compliance Committee and Trustee Pete Delay to chair the Finance and Personnel Committee. Committee Chair Tom Boyd called the meeting to order at 11:08 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees J.B. Baker, Tom Boyd, Rick Cottle, Pete DeLay, Steve Smith, Pam Wright, and Drew Carpenter. 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.

President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Joe Bales, Vice President for University Advancement; Yvette Clark, Interim Vice President for Information Technology and Chief Information Officer; Andrew Oppmann, Vice President for Marketing and Communications; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; James Floyd, University Counsel and Board Secretary; Kim Edgar, Assistant to the President and Chief of Staff; and Diane Snodgrass, Interim Chief Audit Executive were also in attendance.

Approval of Minutes – Action

The first agenda item was approval of the minutes from the November 15, 2022 Audit and Compliance Committee meeting. Trustee Delay moved to approve the minutes from the November 15, 2022 meeting and Trustee Baker 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 15, 2022 meeting of the Audit and Compliance Committee carried unanimously.

Report of Conflict of Interest Disclosures in 2022 – Information

Mr. Drew Harpool, Assistant Vice President for the Office of Compliance and Enterprise Risk Management presented the 2022 report of the conflict of interest disclosures reviewed by the Conflict of Interest Committee. For 2022, there was one managed conflict compared to 7 overall cases for the prior year. Regarding the seven cases from the prior year, Trustee Karbowski asked if there were any cases that fell under the category of “Eliminated”. Mr. Harpool stated he believed one case from the prior year was in the category of “Eliminated” but he would follow-up with the committee with the information requested.

Review of President’s Statement of Disclosure of Interests for 2023 – Information

Ms. Snodgrass presented the President’s Statement of Disclosure of Interests for 2023 for information and the Committee’s review, noting there were no changes from the disclosures made in 2022.

Report on Compliance with Public Records Policy - Information

Mr. Floyd presented the Report on Compliance with Public Records Policy, Policy 120. A summary of the number of records requests received in calendar year 2022 was provided for the Committee’s review. Mr. Floyd noted the university received 126 total requests which was a reduction from last year when 155 requests were received. Trustee Karbowski asked if there were rights of appeal for the requests that were denied and if so, how many of those were still pending. Mr. Floyd stated there are not rights for denial; the basis for denials varies – it could be the individual is not a Tennessee citizen and records are only available to Tennessee citizens; or the records do not exist. Mr. Floyd stated there is a range of reasons for denials but there are

not any appeal rights. Trustee Smith asked if there was a written procedure for requesting records. Mr. Floyd stated there is a form available for an individual to submit or an individual may email his office and his office would respond accordingly.

Results of External Reviews – Information

Ms. Snodgrass reported the results of four external reviews. 1) The Tennessee Comptroller of the Treasury issued the financial and compliance audit for fiscal year ended June 30, 2022. There were no audit findings and the opinions of the financial statements were unmodified. 2) The Tennessee Comptroller's Office released the results of the NCAA agreed-upon procedures applied to the statement of revenues and expenses of the athletics programs for the year ended June 30, 2022. Two significant differences were noted between the amounts in the general ledger and the amounts on the statements but were corrected in the statement included with the report. 3) The Tennessee Department of Transportation (TDOT), Fiscal Monitoring Group completed a desk monitoring review of two contracts between MTSU and TDOT with no findings of noncompliance identified. 4) The U.S. Small Business Administration completed the financial examination of the Tennessee Small Business Development Center for the 2020 program year. There were no findings and the report concluded the Tennessee Small Business Development Center was in compliance with the financial objectives of the Small Business Development Center program.

Quarterly Report – Results of Internal Audit Reports – Information

Ms. Snodgrass reported there have been two audit reports issued since the last committee meeting. The Audit of the Office of the President for Fiscal Year 2022 was completed with no reportable issues. For the second audit report, The Special Review of Faculty and Non-Faculty Sick Leave Banks for the Period January 1, 2019 – July 8, 2022, management implemented corrective action to improve the operation, processes, recordkeeping, and oversight of the sick leave banks and also terminated the supervisor responsible for the administration of the sick leave banks. The status of the 2023 audit plan was included in the meeting materials for the Committee's review.

Non-Public Executive Session

The Committee adjourned the public session at 11:22 a.m. and entered non-public executive session at 11:25 a.m. to discuss audits and investigations. The non-public executive session adjourned at 11:50 a.m.

Respectfully submitted,

Audit and Compliance Committee