

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE  
MINUTES**

The Audit and Compliance Committee met on Tuesday, November 12, 2019, in the MEC Meeting 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 9:27 a.m. and welcomed everyone in attendance.

**Roll Call**

The following Committee members were in attendance: Tom Boyd, Christine Karbowskiak, Mary Martin, and Steve Smith. A quorum was declared present. Also present were Trustees J.B. Baker, Pete DeLay, and Samantha Eisenberg. 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; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; 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 - Action**

The first agenda item was approval of the minutes from the August 20, 2019 Audit and Compliance Committee meeting. Trustee Smith moved to approve the minutes from the August 20, 2019 meeting and Trustee Karbowskiak seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to approve the minutes from the August 20, 2019 meeting of the Audit and Compliance Committee carried.

### **Policy Revisions, Policy 10 Ethics and Code of Conduct - Action**

Revisions to Policy 10 Ethics and Code of Conduct were presented by Ms. Gené Stephens, Assistant Vice-President, Office of Compliance and Enterprise Risk Management. The proposed revisions added Sections IV. Investigatory Process and V. Appeals to the policy. Discussion regarding a timeline for the investigatory process followed after Trustee Martin commented there was not a timeline included for the investigation process. A motion was made by Trustee Martin to amend and approve the policy with additional language added as Section IV. F. to state, "The Office of Compliance and Enterprise Risk Management will conduct an adequate, reliable, and impartial investigation in a reasonable and timely manner." Trustee Boyd seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to amend and approve the policy with the additional language added as Section IV.F. carried.

### **Results of External Reviews - Information**

Ms. Burkhart presented the results of two external reviews. The Office of the Comptroller of the Treasury released the investigative report, MTSU Athletic Department, on August 29, 2019. The report concluded an associate athletic director made a questionable purchase of \$3,500 with his university purchasing card and department staff used university purchase credit from a sports and fitness company to provide at least \$34,084 in shoes and apparel to family and friends. The report also included an internal control deficiency of inadequate oversight of use of sponsorship trade. The report concluded that management of the Athletic Department indicated they were establishing new practices and procedures to correct the findings and the internal control deficiency disclosed in the report. An update of corrective actions addressing the findings and internal control deficiency was requested for the next Audit and Compliance Committee meeting.

The Tennessee Department of Finance and Administration, Office of Criminal Justice Programs conducted a financial desk review on October 17, 2019 of the STOP (Services, Training, Officers, Prosecutions) funding for the fiscal year ending June 30, 2020. There were no findings of noncompliance.

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

Ms. Burkhart presented the results of Internal Audit Reports. Two audit projects were completed since the last meeting of the Audit and Compliance Committee: Cash Counts at June 30, 2019, with no reportable issues; and, the Audit of Inventories for Fiscal Year Ended June 30, 2019, which concluded the year-end inventory counts were accurate and in compliance with the inventory procedures, but also included a recommendation for Printing Services to include valuation procedures in the inventory procedures. The current status of the Internal Audit Plan for Fiscal Year Ended June 30, 2020 was included for the Committee's review.

### **Adjournment**

The Committee adjourned the public session at 9:53 a.m. and entered non-public executive session at 9:55 a.m. to discuss audits and investigations. The non-public executive session adjourned at 10:49 a.m.

Respectfully submitted,

Audit and Compliance Committee