



Middle Tennessee State University Board of Trustees Audit and Compliance Committee

Tuesday, February 25, 2025

MEC Meeting Room – 2nd Floor
Miller Education Center
503 East Bell Street
Murfreesboro, Tennessee 37132



**Middle Tennessee State University
Board of Trustees
Audit and Compliance Committee**

Tuesday, February 25, 2025

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

Report of Conflict-of-Interest Disclosures in 2024 (Information)Tab 2

Review of President’s Statement of Disclosure of Interests for 2025 (Information)Tab 3

Report on Compliance with Public Records Policy (Information)Tab 4

Results of External Reviews (Information)Tab 5

1. Tennessee Department of Transportation, Division of Finance, Fiscal Monitoring Group Report regarding 2023 Aviation Education Program – Tennessee Teachers Aerospace Education Workshop
2. Tennessee Comptroller of the Treasury, Financial and Compliance Audit Report for the Year Ended June 30, 2024
3. Tennessee Comptroller of the Treasury, NCAA Agreed-Upon Procedures Applied to the Athletic Programs Statement of Revenues & Expenses for the Year Ended June 30, 2024.

Quarterly Report – Results of Internal Audit Reports (Information).....Tab 6

Closing Remarks

Adjourn Public Session

Non-Public Executive Session – Discussion of Cybersecurity, Audits, and Investigations (Information)



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE: February 25, 2025

SUBJECT: **Approval of Minutes**

PRESENTER: Tom Boyd
Committee Chair

BACKGROUND INFORMATION:

The Audit and Compliance Committee met on November 12, 2024. Minutes from the meeting are provided for review and approval.

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, November 12, 2024 in the MEC Meeting Room in the Miller Education Center at Middle Tennessee State University.

Call to Order and Opening Remarks

Committee Chair Tom Boyd called the meeting to order at 10:22 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees J.B. Baker, Tom Boyd, Pete DeLay, Bill Jones, Mary Martin, Steve Smith, Christine Karbowski Vanek, Michael Wade, and Shaylaine Roker. Trustee Pam Wright was unable to attend the meeting. A quorum was declared present.

Mark Byrnes, University Provost; Andrew Oppmann, Vice President for Marketing and Communications; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Khalilah Doss, Vice President for Student Affairs; Leah Ladley, Chief Audit Executive; and James Floyd, University Counsel and Board Secretary were also in attendance.

Approval of Minutes - Action

The first agenda item was approval of the minutes from the August 20, 2024 Audit and Compliance Committee meeting. Trustee DeLay moved to approve the minutes from the August 20, 2024 meeting and Trustee Jones seconded the motion. A voice vote was taken and, with all Committee members voting "Aye," the motion to approve the minutes from the August 20, 2024 meeting of the Audit and Compliance Committee carried unanimously.

Quarterly Report – Results of Internal Audit Reports – Information

Mrs. Ladley reported that there have been no internal audit projects finalized with reports issued since the last Audit and Compliance Committee meeting.

Results of External Reviews – Information

Mrs. Ladley presented the results of two external reviews. 1) The Office of Criminal Justice Programs fiscal unit conducted a financial desk review of the STOP contract. They evaluated the reliability of internal controls and financial reporting, tested costs and services to the award, and verified contract compliance. There were no findings of non-compliance.

2) The TN Department of Health grant monitoring team tested similar items on their grant, Support of TN Colleges and Universities to Promote Healthy Behaviors Related to Infection Prevention by Improving Health Service Centers. The review revealed no material exceptions.

Non-Public Executive Session

The Committee adjourned the public session at 10:28 a.m. and entered non-public executive session at 10:32 a.m. to discuss cybersecurity, and audits and investigations. The non-public executive session adjourned at 11:13 a.m.

Respectfully submitted,
Audit and Compliance Committee



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: February 25, 2025

SUBJECT: **Report of Conflict of Interest
Disclosures in 2024**

PRESENTER: Drew Harpool
Associate Vice-President,
Business and Finance

BACKGROUND INFORMATION:

In the Audit and Compliance Committee (“Committee”) Charter Section IV. Responsibilities, G.4, the Committee is to ensure that all potential conflicts of interest are adequately resolved and documented.

Included in the materials is the 2024 report of the conflict-of-interest disclosures reviewed by the Conflict of Interest Committee.

Conflict of Interest Committee
 Middle Tennessee State University
 1301 East Main Street
 Murfreesboro, Tennessee 37132



February 6, 2025

Dr. Sidney A. McPhee, President
 Middle Tennessee State University
 1301 East Main Street
 Murfreesboro, TN 37132

Dear Dr. McPhee:

This is the 2024 calendar year report for the Conflict of Interest Committee (Committee). Per MTSU Policy 12 Conflict of Interest, the Committee is an advisory group reporting to the President's Office. The Committee will evaluate conflict of interest (COI) disclosures and determine whether a conflict exists. For any conflict that is not a violation of federal or state law, the Committee is permitted to make the following determinations: 1) the conflict is de minimis and is permitted to continue; 2) the conflict may be managed by placing restrictions on the employee; or 3) the conflict may not be managed so the employee must eliminate the conflict.

Below is a summary of the types of conflict of interest disclosures reviewed and the Committee's conclusions for 2024.

<u>Type of Disclosure</u>	<u>No COI</u>	<u>De Minimis</u>	<u>Managed</u>	<u>Eliminated</u>	<u>Referred to Academic Affairs</u>	<u>Totals</u>	<u>Prior Year Totals</u>
Educational Materials	-	2	-	-	-	2	2
Acceptance of Gifts	-	-	-	-	-	-	-
Family Relationship	-	-	-	-	-	-	1
Consensual Relationship	-	-	-	-	-	-	-
Financial/Business Interest	2	1	3	-	-	6	5
Other	1	-	-	-	-	1	-
Total Disclosures Reviewed	3	3	3	-	-	9	8

If you have any questions or need any additional information, please contact Mr. Drew Harpool, Associate Vice President, Business and Finance at 615-494-8812. This report will be presented to the Audit and Compliance Committee as an informational item.

Respectfully submitted,
 Members of the COI Committee

James C. Floyd

Digitally signed by James C. Floyd
 Date: 2025.02.06 17:04:44 -06'00'

Office of University Counsel

Digitally signed by Alan R. Thomas, Vice President for Business and Finance
 Date: 2025.02.06 16:41:29 -06'00'

Business and Finance

Digitally signed by Drew Harpool, Associate Vice President for Business and Finance
 Date: 2025.02.07 14:31:40 -06'00'

Compliance and Enterprise Risk Management

Audit and Consulting Services

Middle Tennessee State University is an AA/EEO employer and does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: Executive Director of Institutional Equity and Compliance, 1301 E. Main Street, CAB 116, Murfreesboro, TN 37132, 615-898-2185. Additionally, the MTSU Title IX Coordinator, designated to monitor and oversee Title IX complaints, may be contacted at: Sam Ingram Building 2269 Middle Tennessee Blvd. Murfreesboro, TN 37132 615-898-5133, or via this webpage: <http://www.mtsu.edu/titleix/>.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: February 25, 2025

SUBJECT: **Review of President’s Statement of
Disclosure of Interests for 2025**

PRESENTER: Leah Ladley
Chief Audit Executive

BACKGROUND INFORMATION:

MTSU Policy 12 Conflict of Interest, Section VII. E.1 states, “The President’s disclosure [Form ss8005] shall be evaluated by the Board of Trustees or a duly appointed committee thereof.”

The Audit and Compliance Committee is charged with assisting the Board in exercising oversight of standards of conduct and ensuring compliance with legal and regulatory requirements. Dr. McPhee’s 2025 Disclosure of Interests form is presented for the Committee’s review.



Confirmation

Thank you for filing your Statement of Disclosure of Interests (ss-8005) online at TN.gov. Your confirmation details are below. You will receive an e-mail confirmation shortly.

If you have any questions, contact the Tennessee Ethics Commission at ethics.counsel@tn.gov or 615-741-7959.

Please print this page for your records.

Print

Confirmation Details

Confirmation Number: [1736191434990]

Report Year

2025

Date of Filing

2025-01-06

Filer Contact Information

SIDNEY MCPHEE

MIDDLE TENNESSEE STATE UNIVERSITY, 1301 EAST MAIN ST - CAB 204

MURFREESBORO, TENNESSEE 37132

Email: Sidney.McPhee@mtsu.edu

Home: (615) 898-5760 Ext.

Work: (615) 898-5825 Ext.

Office Held or Sought

Incumbent

President - University governed by Board of Trustees

Sources of Income

SUN TRUST BANK BOARD MURFREESBORO, TN : Income received by: Filer

SUN TRUST BANK BOARD NASHVILLE, TN : Income received by: Filer

CONSULTING SERVICES FOR THE UNIVERSITY OF THE BAHAMAS - BOARD OF TRUSTEES : Income received by: Filer

Investments

TIAA CREF SUPPLEMENTAL RETIREMENT FUND Held by: Filer

AIG VALIC RETIREMENT FUND; STATE OF TN RETIREMENT Held by: Spouse

TIAA CREF SUPPLEMENTAL RETIREMENT FUND Held by: Filer

AIG VALIC RETIREMENT FUND; STATE OF TN RETIREMENT Held by: Spouse

Lobbying

Professional Services

None

Retainer Fees

SUN TRUST BANK BOARD MURFREESBORO, TN

SUN TRUST BANK BOARD NASHVILLE, TN

Bankruptcy

None

Loans

None

Certification

I certify.

I understand that, pursuant to Tenn. Code Ann. 8-50-507, submitting a disclosure or amendment to a disclosure form which contains false or incomplete information may subject me to the penalties of perjury. The information contained in this disclosure or amendment to a disclosure form is true, complete, and correct to the best of my knowledge, information, and belief.

I, the undersigned, do hereby witness that the above information was entered in my presence.

Witness Name KIMBERLY EDGAR

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**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: February 25, 2025

SUBJECT: **Report on Compliance with Public
Records Policy**

PRESENTER: James Floyd
University Counsel

BACKGROUND INFORMATION:

MTSU Policy 120 Public Records, Section III.B.3 requires the Public Records Coordinator to annually report to the Board concerning the institution's compliance with the Tennessee Public Records Act and make recommendations, if any, for revisions to this policy.

A summary of the number of records requests received in 2024 is provided for the Committee's review.

Annual Summary of Records Request Received for 2024

2024 Records Requests	Denied	Provided	Total
Athletics - Reports	1	3	4
Athletics-Coach Contracts	6	22	28
Procurement/Contracts	12	18	30
Employment Records	0	0	0
Misc.	13	17	30
Police Reports	0	0	0
Student Records	7	1	8
TOTAL	39	60	100

For comparison purposes, the prior year received were as follows:

Year	Requests Received
2023	85
2022	126
2021	155
2020	156
2019	170

Fifteen more requests were received in 2024 compared to 2023.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: February 25, 2025

SUBJECT: **Results of External Reviews**

PRESENTER: Leah Ladley
Chief Audit Executive

BACKGROUND INFORMATION:

- 1. Tennessee Department of Transportation (TDOT), Division of Finance, Fiscal Monitoring Group Report regarding 2023 Aviation Education Program – Tennessee Teachers Aerospace Education Workshop, was issued on December 10, 2024**

Staff from the TDOT, Division of Finance, Fiscal Monitoring Group, conducted a desk monitoring review of the contract between Middle Tennessee State University and TDOT. The monitoring objectives included evaluating the allowability of activities and costs, compliance with wage requirements (Davis-Bacon Act), and proper cash management for reimbursement-based awards. The reviewers verified participant and sub-recipient eligibility, proper record-keeping and safeguarding of assets, and compliance with matching funds or contribution requirements. The reviewers also assessed compliance with reporting requirements, special tests or provisions, and Title VI nondiscrimination requirements.

There were no findings of noncompliance during the desk review.

2. Tennessee Comptroller of the Treasury, Financial and Compliance Audit Report for the Year Ended June 30, 2024

The Tennessee Comptroller of the Treasury issued the financial and compliance audit report for the year ended June 30, 2024 on January 30, 2025. The independent auditor's report included unmodified opinions on the fairness of the presentation of the financial statements. The audit report contained no audit findings. A copy of the "Audit Highlights" page from the audit report is included in the materials for your review.

A complete copy of the audit report is located on the Comptroller of the Treasury webpage at:

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2025/cu24101.pdf>

3. Tennessee Comptroller of the Treasury, NCAA Agreed-Upon Procedures Applied to the Athletic Programs Statement of Revenues & Expenses for The Year ended June 30, 2024

On January 13, 2025, the Tennessee Comptroller of the Treasury released the results of the agreed-upon procedures applied to the statement of revenues and expenses of the athletics programs in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17 for the year ended June 30, 2024.

The report was submitted to the NCAA by the required deadline of January 15.

MIDDLE TENNESSEE STATE UNIVERSITY

AUDIT HIGHLIGHTS

Middle Tennessee State University’s Mission

Middle Tennessee State University offers exceptional academic programs at the undergraduate and graduate levels that prepare students to thrive in their chosen profession and prioritize student success. As one of Tennessee’s largest comprehensive universities, MTSU places high value on outstanding teaching, research, creative activity, and public service that support the emerging needs and challenges of our state, nation, and world.

Opinions on the Financial Statements

The opinions on the financial statements are unmodified.

Audit Findings

The audit report contains no findings.

Prior Audit Findings

There were no findings in the prior audit report.



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: February 25, 2025

SUBJECT: **Quarterly Report – Results of
Internal Audit Reports**

PRESENTER: Leah Ladley
Chief Audit Executive

BACKGROUND INFORMATION:

MTSU Policy 70 Internal Audit section IX.F requires significant results of internal audit reports be presented to the Audit and Compliance Committee quarterly.

Since the prior meeting of the Audit and Compliance Committee, the following audit projects were completed:

1. Audit of the Office of the President for Fiscal Year 2024 is an annual audit required by state law. There were no reportable issues.
2. Review of the Use of MTSU Purchasing Card and Compliance with Purchasing Card Program. No evidence of fraudulent activity in the transactions reviewed was identified; however, non-compliance with the P-Card Program Policy and Record Retention & Disposal of Records policy was confirmed.
3. A review of an anonymous hotline complaint was completed, which resulted in the determination of unsubstantiated. A memo was issued to the TN Comptroller's Office.

The current status of the Internal Audit Plan for Fiscal Year 2025 is included for the Committee's review.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2025
as of February 7, 2025**

Type	Area	Audit Project	Current Status	Report Date
R	FM	Year-End Inventory FY24	Complete	7/29/2024
R	FM	Cash Counts FY24	Complete	7/24/2024
R	GV	Audit of President's Office Expenses	Complete	11/12/2024
I	AA	INV2403	referred to Comptroller's Office	
I	FM	INV2404	In Progress - initiated April 2024	
I	FM	INV2405	Complete	01/30/2025
I	AT	INV2406	Complete	7/23/2024
I	SS	INV2501	In Progress - initiated September 2024	
I	SS	INV2502	In Progress - initiated September 2024	
I	AD	INV2503	In Progress - initiated October 2024	
I	FM	INV2504	Complete	02/04/2025
A	FM	P-Card Compliance Review	Identified	
C	FM	Cash Processes in Select Areas	Identified	
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
R	FM	Cash Counts FY25	Scheduled	
R	FM	Year-End Inventory FY25	Scheduled	
R	GV	Audit of President's Office Expenses	Scheduled	

Audit Types:		Area = University Division	
A - Risk-Based (Assessed)		AA - Academic Affairs	
C - Consulting		AD - Advancement	
F - Follow-up Review		AT - Athletics	
I - Investigation		FM - Financial Management	
M - Management's Risk Assessment		GV - Governance/Executive Office	
P - Project (Ongoing or Recurring)		IT - Information Technology	
R - Required		MC - Marketing and Communications	
S - Special Request		SS - Student Services	