



Middle Tennessee State University Board of Trustees Audit and Compliance Committee

Tuesday, November 11, 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, November 11, 2025

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

Quarterly Report – Audit Services (Information).....Tab 2

External Reviews (Information)Tab 3

1. On September 11, 2024, The Office of Entrepreneurial Development provided the results of a Financial Examination of the TN Small Business Development Center, program year 2022. “Overall, the Tennessee SBDC is compliant with the financial objectives of the SBDC Program. Based on the review there are no findings to report.”

Closing Remarks

Adjourn Public Session

Non-Public Executive Session – Private and Confidential Discussion as Permitted

by Law (Information)

Adjourn Non-Public Session



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Action Item

DATE: November 11, 2025

SUBJECT: **Approval of Minutes**

PRESENTER: Tom Boyd
Committee Chair

BACKGROUND INFORMATION:

The Audit and Compliance Committee met on August 19, 2025. 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, August 19, 2025, 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 10:07 a.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees J.B. Baker, Tom Boyd, Bill Jones, Christine Karbowski Vanek, Michael Wade, Jimmy Granberry, John Floyd, Chad White, Kari Neely, and Michai Mosby. Trustee DeLay attended virtually. Chair Steve Smith was unable to attend. A quorum was declared present.

President Sidney A. McPhee; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Danny Kelly, Interim Vice President for Student Affairs; Drew Harpool, Interim Vice President for Business and Finance; James Floyd, University Counsel and Board Secretary; and Leah Ladley, Chief Audit Executive were also in attendance.

Approval of Minutes - Action

The first agenda item was approval of the minutes from the May 20, 2025 Audit and Compliance Committee meeting. Vice Chair Vanek moved to approve the minutes from the May 20, 2025 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 May 20, 2025 meeting of the Audit and Compliance Committee carried unanimously.

Annual Report for Audit and Consulting Services - Action

The 2025 Annual Report for Audit and Consulting Services, which includes the audit plan for fiscal year 2026, was presented by Leah Ladley for approval. Vice Chair Vanek asked about the timeline regarding changing the name of the department, as discussed in the prior committee meeting. Mrs. Ladley's response was that the name change would occur by the end of the calendar year. Vice Chair Vanek moved to approve the Annual Audit Plan for 2026, and Trustee Wade seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to approve the Annual Audit Plan for 2026 was carried unanimously.

Quarterly Report – Results from Internal Audit Projects – Information

Mrs. Ladley reported an investigation that was completed with improvements made to the system of internal controls. She also reported the Fiscal Year 2025 Cash Count was completed with no internal control concerns noted. Also, the Fiscal Year 2025 Internal Assessment of the department was completed on July 31, 2025.

Results of External Reviews – Information

Mrs. Ladley presented four external reviews that were completed since the last Audit and Compliance Committee meeting. 1) TN Department of Safety and Homeland Security Internal Audit Division completed a desk review of MTSU's Police Department. The desk review revealed no findings or observations. 2) The State of Tennessee Department of Health Compliance and Ethics conducted a monitoring review of MTSU's contracts compliance. The monitoring review revealed no findings of a material nature. 3) The TN Bureau of Investigation, Office of Internal Audit conducted a desk review of two MTSU Criminal Justice grants. The desk review revealed no findings, observations, or recommendations. 4) The Tennessee Department of Environment and Conservation, Division of Water Resources conducted an audit of the City of Murfreesboro and MTSU Co-Permittee Municipal Separate Storm Sewer System program. There were two required actions noted that were administrative only, and those actions have been addressed.

Non-Public Executive Session

The Committee adjourned the public session at 10:17 a.m. and entered the non-public executive session at 10:19 a.m. to discuss topics permissible by appropriate law. The non-public executive session adjourned at 11:25 a.m. The public session was reconvened at 11:26 a.m. for the final agenda item.

Risk Assessment Reporting - Action

Mr. Drew Harpool, Interim Vice President for Business and Finance, stated that annually the university must present risk assessment results and report the results to TN State Audit. The risk assessments are presented to the Committee for review and approval prior to submission to State Audit. Vice Chair Vanek moved to approve the 2025 Risk Assessment Reports and Trustee Baker seconded the motion. A roll call vote was taken and, with all committee members voting “Aye”, the motion to approve the 2025 Risk Assessment Reports was carried unanimously.

Adjournment

With no further business, the Committee adjourned at 11:28 a.m.

Respectfully submitted,
Audit and Compliance Committee



**Middle Tennessee State University
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: As of October 23, 2025

SUBJECT: **Quarterly Report – Audit Services**

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 last meeting of the Audit and Compliance Committee, the following items have been completed:

1. Audit of Inventories as of June 30, 2025 – no recommendations
2. Audit of President's Office Expenses FY 2025 – no recommendations

The current status of the Internal Audit Plan for Fiscal Year 2026 is included for the Committee's review.

Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2026
as of October 23, 2025

Type	Area	Audit Project	Current Status	Report Date
R	FM	FY25 Year-End Inventory	In Progress	10/15/2025
R	FM	FY25 Cash Counts	Complete	7/29/2025
R	GV	FY25 Audit of President's Office Expenses	In Progress	10/21/2025
I	FM	INV2404	In Progress - initiated April 2024	
I	SS	INV2501	In Progress - initiated September 2024	
I	FM	INV2503	Complete	7/28/2025
I	SS	INV2506	In Progress - initiated May 2025	
P	GV	FY25 Internal Assessment (IA)	Complete	7/31/2025
A	FM	P-Card Compliance Review	Planning	
AD	FM	Cash Processes in Select Areas	Identified	
A	CM	I-9 Processes	Identified	
I	SS	INV2601	In Progress - initiated August 2025	
P	GV	FY26 Internal Assessment (IA)	Planning	
F	GV	State Audit Assistance/Follow-Up	Project Throughout Year	
C	GV	General Consultation/Risk Assessment	Project Throughout Year	
R	FM	FY26 Cash Counts	Scheduled	
R	FM	FY26 Year-End Inventory	Scheduled	
R	FM	FY26 Audit of President's Expenses	Scheduled	

Audit Types:

A - Risk-Based (Assessed)
AD - Advisory
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
Board of Trustees**

Audit and Compliance Committee

Information Item

DATE: As of October 23, 2025

SUBJECT: **Results of External Reviews**

PRESENTER: Leah Ladley
Chief Audit Executive

BACKGROUND INFORMATION:

**1. U.S. Small Business Administration
Program Year 2022 Financial Examination of the TN Small Business
Development Center network**

Overall, TN-SBDC complies with the financial objectives of the SBDC Program. Based on the review of the limited data examined, there are no findings requiring attention.

The objective of the financial examination was to determine whether the network had controls to ensure: the accuracy of reported financial data, costs incurred were reasonable, allowable, and allocable, compliance with applicable laws and regulations, policies, and operating procedures for financial management.

The network includes TN SBDC Lead Center, Cleveland State Community College, East TN State University, and UT Martin.