

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE  
MINUTES**

The Audit and Compliance Committee met on Tuesday, May 20, 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 11:53 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, Christine Karbowskiak-Vanek, Steve Smith, Pam Wright, Michael Wade, Mary Martin, and Shaylaine Roker. A quorum was declared present.

President Sidney McPhee, Alan Thomas, Vice President for Business and Finance; Joe Bales, Vice President for University Advancement; Mark Byrnes, University Provost; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Dr. Khalilah Doss, Vice President for Student Affairs; Jeff Farrar, Senior Associate University Counsel; Kim Edgar, Assistant to the President and Chief of Staff; 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 February 25, 2025 Audit and Compliance Committee meeting. Trustee DeLay moved to approve the minutes from the February 25, 2025 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 February 25, 2025 meeting of the Audit and Compliance Committee carried unanimously.

### **Report on Annual Internal Audit Assurances – Information**

The report on the Annual Internal Audit Assurances was presented by Ms. Ladley. The Audit and Compliance Committee Charter, Section IV.D.1 requires the Audit and Compliance Committee to “ensure the Chief Audit Executive’s administrative reporting relationship to the President is independent.” There were no issues with independence to report. The Global Audit Standards require certain communications. First is the confirmation of the internal audit function’s independence, which is confirmed; second, the results of the internal quality assessment which is in progress; and lastly, the need to escalate instances of management’s excessive acceptance of risk which no instances have been identified.

### **Approval of Internal Audit Department Charter – Action**

Leah Ladley presented the revised Internal Audit Department Charter in response to the new Global Internal Audit Standards issued by the Institute of Internal Auditors in 2024. The new charter was drafted using the Model Internal Audit Charter tool provided by the Institute of Internal Auditors and customized to fit our institution. Vice Chair Vanek questioned if the language of the “Mandate” section of the charter was inconsistent. Ms. Ladley said she will look into it to ensure the language of the laws is correct. Trustee Martin questioned if the requirements under “Board of Trustees Oversight” section of the charter needed to be established into conversations regarding setting agendas. Ms. Ladley said we will continue to strengthen our conversations regarding things like that. Trustee Martin asked who is responsible for making sure the Board meets the requirements listed in the charter. Ms. Ladley responded that she is responsible. Trustee Martin asked if she was comfortable with that. Ms. Ladley responded yes. Vice Chair Vanek moved to approve the new charter with the expectation that Ms. Ladley will review the language, and the final charter will be presented at the Board of Trustees meeting for approval. Chairman Smith seconded the motion. A voice vote was taken and the motion to approve the Internal Audit Department Charter carried unanimously.

### **Approval of MTSU Policy 70 Internal Audit – Action**

Leah Ladley presented Policy 70 Internal Audit in response to the new Global Internal Audit Standards issued by the Institute of Internal Auditors in 2024. The policy revision primarily includes changes to terminology and language to ensure consistency with the new standards. No changes were made to the core responsibilities, authority, or independence of the internal audit function. Trustee Delay moved to approve the MTSU Policy 70 Internal Audit. Vice Chair Vanek seconded the motion. Vice Chair Vanek questioned the use of “Consulting” in the department’s name when the “consulting” language is being removed from the definitions. Ms. Ladley said there are plans to change our name in the future. Vice Chair Vanek suggested further review to ensure that charter and policy are aligned with each other and the final policy to be presented at the Board of Trustees meeting for approval. A voice vote was taken and the motion to approve the MTSU Policy 70 carried unanimously.

### **Results of External Reviews – Information**

Ms. Ladley presented the results of two external reviews. The Tennessee Human Rights Commission (THRC) Title VI Compliance Program. They reviewed the implementation plan and there were no recommendations.

The Tennessee Department Health issued a Monitoring Report regarding Reducing COVID-19 Risk Through a Coordinated and Holistic Approach and MTSU-COVID-19 Vaccination POD and no material findings were revealed.

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

Ms. Ladley reported an investigation memo was issued to administratively close a review following our preliminary assessment with no further action planned. A Loss report was issued for the loss of minor equipment with no internal controls in need for improvement.

### **Non-Public Executive Session**

The Committee adjourned the public session at 12:09 p.m. and entered non-public executive session at 12:17p.m. to discuss security plans, cybersecurity, audits, and investigations. The non-public executive session adjourned at 1:00 p.m.

Respectfully submitted,  
Audit and Compliance Committee