

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, May 21, 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 3:05 p.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 Karbowiak, Steve Smith, Pam Wright, Michael Wade, Mary Martin, and Molly Mihm. A quorum was declared present.

President Sidney McPhee participated in the meeting electronically. Alan Thomas, Vice President for Business and Finance; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Sarah Sudak, Interim Vice President for Student Affairs; James Floyd, University Counsel and Board Secretary; 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 27, 2024 Audit and Compliance Committee meeting. Trustee DeLay moved to approve the minutes from the February 27, 2024 meeting and Trustee Wright seconded the motion. A roll call vote was taken and, with all Committee members voting "Aye," the motion to approve the minutes from the February 27, 2024 meeting of the Audit and Compliance Committee carried unanimously.

Report on Independence of Chief Audit Executive – Information

The report on the independence of the Chief Audit Executive was presented by Mrs. 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 regarding the internal audit function’s independence confirmation, the results of the internal quality assessment; reported on January 26, 2024, and the need to escalate instances of management’s excessive acceptance of risk; no instances have been identified.

Results of External Reviews – Information

Mrs. Ladley presented the results of two external reviews. The Tennessee Department of Finance & Administration, Office of Criminal Justice Programs (OCJP) issued a monitoring report regarding Middle Tennessee State University (MTSU) STOP contract. The OCJP identified two findings. While MTSU had multiple policies containing portions of the required verbiage, MTSU did not have a STOP specific policy. The second finding was there is no process to provide an accurate accounting of time spent on the OCJP funded project for personnel funded less than 100% by the grant. A corrective action plan was submitted by MTSU Police Department on March 13, 2024, and was approved by OCJP on April 26, 2024.

Tennessee Department of Safety and Homeland Security (TDOSHS), Tennessee Highway Safety Office (THSO) issued a compliance report regarding MTSU High Visibility Enforcement of Tennessee Traffic Safety Laws. Contractual compliance and testing of Activities Allowed and Unallowed resulted in no issues of noncompliance.

Quarterly Report – Results of Internal Audit Reports – Information

Mrs. Ladley reported an investigation was completed which resulted in strengthening the system of internal controls by enhancing handbook guidance related to international group travel with students. The updated status of the Internal Audit Plan for Fiscal Year 2024 was included for the Committee’s review.

Non-Public Executive Session

The Committee adjourned the public session at 3:11 p.m. and entered non-public executive session at 3:13 p.m. to discuss security plans, cybersecurity, audits, and investigations. The non-public executive session adjourned at 4:08 p.m.

Respectfully submitted,

Audit and Compliance Committee