

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**AUDIT AND COMPLIANCE COMMITTEE
MINUTES**

The Audit and Compliance Committee met on Tuesday, August 20, 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 1:00 p.m. and welcomed everyone in attendance.

Roll Call

The following Committee members were in attendance: Trustees Tom Boyd, Christine Karbowskiak, and Mary Martin. Trustee Steve Smith was unable to attend the meeting. A quorum was declared present. Also present were Trustees Samantha Eisenberg and Darrell Freeman Sr. President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, 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 May 29, 2019 Audit and Compliance Committee meeting. Trustee Boyd moved to approve the minutes from the May 29, 2019 meeting and Trustee Martin seconded the motion. A voice vote was taken and the motion to approve the minutes from the May 29, 2019 meeting of the Audit and Compliance Committee carried.

Annual Report for Audit and Consulting Services - Approval

The 2019 Annual Report for Audit and Consulting Services was presented by Ms. Burkhart for approval. Trustee Martin moved to approve the 2019 Annual Report for Audit and Consulting Services and Trustee Boyd seconded the motion. A voice vote was taken and the motion to approve the 2019 Annual Report for Audit and Consulting Services carried.

Results of External Reviews - Information

Ms. Burkhart presented the results of two external reviews. The Tennessee Department of Finance and Administration, Office of Criminal Justice Programs issued two reports concerning the on-site review of the Victims of Crime Act funding. There were no findings of noncompliance in the financial monitoring review. The report on program monitoring included five findings that have been addressed by management with corrective action. The Department of Finance and Administration agreed the corrective action adequately addresses the findings and is in compliance with the grant requirements.

The Office of the Comptroller of the Treasury released an investigative report concerning the misappropriation of funds by the former international recruiter in the Office of International Affairs from August 2012 through June 2016. The report included an internal control deficiency of improper reimbursements of meal per diem when meals were included in registration fees. This is not in compliance with policy. Corrective action taken by management includes a stricter review of the international recruiter's travel. Also, the Business Office requires direct payment of expenses when possible and justification of expenses that require cash advances. Dr. McPhee stated that he will be issuing a letter to campus addressing travel policies/reimbursements. Trustee Karbowski asked for the committee to be updated on the trial status including any MTSU employees required to be present as witnesses.

Ms. Burkhart also informed the committee that auditors from the Office of the Comptroller of the Treasury were on campus to complete the financial audit for fiscal year 2019.

Compliance and Enterprise Risk Management Update - Information

Ms. Gené Stephens, Assistant Vice-President for the Office of Compliance and Enterprise Risk Management, gave updates on the following. 1) Compliance and Risk Management Program Effectiveness – DOJ Measurements and Evaluation: The DOJ has added three additional questions to determine an organization’s compliance program performance. Ms. Stephens discussed the responses regarding the University’s compliance and risk management program to these questions. 2) Healthcare and HIPAA Compliance – University Pharmacy and Other Offices: Ms. Stephens provided the following updates regarding the University’s healthcare compliance activities. An Operational Guide for University Health Services and Campus Pharmacy has been created; Policy 85, HIPAA has been updated pursuant to regulatory updates by the Office of Civil Rights and the United States Department of Health and Human Services; Enhanced data security of email transmissions of protected health information and/or healthcare billing has been provided by the Information Technology Division; The University’s Speech and Audiology Clinic underwent a HIPAA compliance review and site visit at the request of a Program Assessor, with the results of the compliance review generally positive; All Health Services and Campus Pharmacy staff participated in annual electronic HIPAA training. 3) European Union General Data Protection Compliance: The University continues to monitor activities related to the European Union’s (EU) General Data Protection Regulation (GDPR) including monitoring the number of EU employment applicants and incoming students.

Non-Public Executive Session

The Committee adjourned the public session at 1:31 p.m. and entered non-public executive session at 1:33 p.m. to discuss risk assessment reports and audits and investigations. The non-public executive session adjourned at 2:45 p.m. The public session reconvened at 2:48 p.m. for the final agenda item.

Risk Assessment Reporting - Action

For 2019, the Divisions of Student Affairs, University Advancement, and Marketing and Communications performed, and provided, risk assessment reporting. In addition, a risk assessment report detailing university-wide risk and control activities was prepared. Trustee Martin moved to approve the risk assessment reports and Trustee Boyd seconded the motion. A voice vote was taken and the motion to approve the risk assessment reports carried.

Adjournment

With no further business, Trustee Martin made a motion to adjourn the meeting and Trustee Boyd seconded the motion. A voice vote was taken and the motion to adjourn the meeting carried. The meeting adjourned at 2:49 p.m.

Respectfully submitted,

Audit and Compliance Committee