



Board of Governors' Risk Management and Audit Committee Meeting

Turner Family President's Conference Room Carrington Hall 203

Wednesday, 2/19/2020

3:30 - 5:00 PM CT

I. Roll Call Presented By: Amy Counts

II. Approval of Minutes of the Risk Management and Audit Committee Meeting of December 11, 2019 Presented By: Amy Counts

II. RMAC 12.11.19 open - Page 2

III. Review of NCAA Independent Accountant's Report on Applying Agreed-Upon Procedures Presented By: Kim Hamm & Kristen Bright, BKD

III. MSU NCAA 19 - Page 4

IV. Custodian of Records: Record Request Statistics Presented By: Donna Christian

IV. Record Request Statistics - Page 19

V. Resolution Authorizing Closed Meeting, Pursuant to Sections 610.021(1), (2), (3), (6), (9), (11), (12), (13), (14) and/or (17) of the Revised Statutes of Missouri

V. Closed Meeting Resolution - Page 24

VI. Adjournment Presented By: Amy Counts

**MINUTES OF THE BOARD OF GOVERNORS
RISK MANAGEMENT AND AUDIT COMMITTEE
MISSOURI STATE UNIVERSITY
DECEMBER 11, 2019, 4:00 P.M.**

Present- Mr. Craig Frazier, Committee Chair
Mr. Gabriel Gore, Committee Member (by conference phone)
Mr. Gregory Spears, Committee Member
Ms. Carrie Tergin, Committee Member (by conference phone)

Also Present- Mr. Clifton Smart III, President
Ms. Donna Christian, Director of Internal Audit and Risk Management
Mr. Jeff Coiner, Chief Information Officer
Mr. Ryan DeBoef, Chief of Staff and Assistant to the President for Governmental Relations
Ms. Rachael Dockery, General Counsel and Chief Compliance Officer
Dr. Frank Einhellig, Provost
Mr. Steve Foucart, Chief Financial Officer
Ms. Michele Hackworth, Assistant Director of Financial Services, Grants and Capital Projects
Ms. Kim Hamm, Partner, BKD
Mr. Rob Martin, Information Security Officer
Ms. Natalie McNish, Senior Auditor
Mr. Rob Moore, Director of Financial Aid
Ms. Beverly Miller Keltner, Governor
Mr. Kyle Miller, Audit Manager, BKD
Mr. Greg Rainwater, Budget and Financial Manager
Ms. Cindy Schull, Director of Grants and Foundation Accounting and Controller of the Foundation
Ms. Carol Silvey, Governor (by conference phone)
Dr. Dee Siscoe, Vice President for Student Affairs
Ms. Rowena Stone, Executive Assistant to the President
Ms. Kristan Gochenauer, Secretary to the Board

1. **Roll Call** – Mr. Craig Frazier, Committee Chair, called the Risk Management and Audit Committee meeting to order at 4:05 p.m. on Wednesday, December 11, 2019, on the Missouri State University campus.
2. **Approval of Minutes** – Mr. Frazier mentioned that the first item of business was the approval of minutes from the September 30, 2019 meeting. Mr. Gregory Spears made a motion, seconded by Ms. Carrie Tergin.

Motion passed unanimously.

3. **Independent Audit Fiscal Year 2019 and Management Letter Review** – Ms. Kim Hamm, Partner, BKD, and Mr. Kyle Miller, Audit Manager, BKD, discussed how the audit process works, the timeline, federal testing, risk base approach and compliance. They gave an overview of the independent audit for fiscal year 2019 and stated that the audit shows that the University is in a good financial position with one proposed adjustment and no reportable matters.
4. **Closed Meeting** – It was determined that the Board of Governors needed to meet in a closed session to consider items of business provided in the Revised Statutes of Missouri. Mr. Frazier asked if a resolution authorizing a closed meeting of the Board was prepared. Thereupon, the following resolution was presented for consideration:

BE IT RESOLVED by the Board of Governors for Missouri State University that a closed meeting, with closed records and closed vote, be held during a recess of the December 11, 2019, Risk Management and Audit Committee meeting of the Board of Governors to consider items of business pursuant to:

- A. R.S.Mo. 610.021(13). “Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment...;” and
- B. R.S.Mo. 610.021(17). “Confidential or privileged communications between a public governmental body and its auditor...”

Mr. Spears moved the approval of the resolution and Mr. Gore seconded the motion.

A roll-call vote on the motion was as follows: those voting in favor – Governors Frazier, Gore, Spears and Tergin; those voting against – none.

Mr. Frazier declared the resolution passed unanimously. The open meeting was recessed at 4:36 p.m. to go into closed session.

The open meeting was reconvened at 5:10 p.m.

5. **Adjournment** – Mr. Frazier adjourned the meeting at 5:12 p.m., on the motion of Mr. Spears, the second of Ms. Carrie Tergin, and the unanimous approval of the committee.



Rowena Stone
Secretary to the Board

Missouri State University

**Independent Accountant's Report on Applying
Agreed-Upon Procedures Performed on the University
Athletics Department as Required by NCAA Bylaw 3.2.4.15.1**

June 30, 2019



Independent Accountant's Report on Applying Agreed-Upon Procedures

Clifton Smart, III, President and the Board of Governors
Missouri State University
Springfield, Missouri

We have performed the procedures enumerated below, which were agreed to by Missouri State University (the "University"), on whether the accompanying statement of revenues and expenses of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15.1 for the year ended June 30, 2019, and completed procedures prescribed in the NCAA Agreed-Upon Procedures Guidelines. The managements of Missouri State University and Missouri State University Foundation (the "Foundation") are responsible for their compliance with these regulations and the related financial statement elements, accounts and items. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The findings obtained are described below:

We obtained the Statement, as prepared by the management of the University. We noted that the statement consisted of amounts from the University's general ledger and the general ledger of the Missouri State University Foundation (the "Foundation") aggregated by management to include items in the Statement as required under Bylaw 3.2.4.15.1. We obtained a reconciliation of the Statement from management of the University which reconciled the activity recorded in the Statement to the activity included in the University's audit of Intercollegiate Athletics Program Accounts included in the audited financial statements. We inquired with the management of the Foundation who indicated that the amounts included from the Foundation agreed to the amounts provided which were included in the audited financial statements of the Foundation. We obtained a copy of the Foundation's audited financial statements.

For revenue and expense categories, we performed the following:

1. We compared the amount of each operating revenue and expense category reported in the Statement during the year ended June 30, 2019, to supporting schedules provided by the administration of the University, noting that they agreed without exception. We recalculated the totals per the supporting schedules, without exception. The following revenue reporting categories were less than 4.0 percent of total revenues and the following expense categories were less than 4.0 percent of total expenses and, therefore, as prescribed in the NCAA Agreed-Upon Procedures Guidelines, no procedures were performed for these categories:

Revenues

- a. Ticket Sales
- b. Guarantees
- c. Conference distributions (MVC reimbursement)
- d. Program , novelty, parking and concession sales
- e. Royalties, licensing, advertising and sponsorships
- f. In-kind contributions
- g. Athletics restricted endowment and investment income

Expenses

- a. Guarantees
- b. Recruiting
- c. Sports equipment, uniforms and supplies
- d. Game expenses
- e. Fundraising, marketing and promotion
- f. Medical expenses and insurance
- g. Spirit groups
- h. Memberships and dues
- i. Student-athlete meals (nontravel)

2. We inquired of the University's management whether there were any of the following revenues, expenses or other reporting items during the year ended June 30, 2019, and University management replied that there were none:

Revenues

- a. Direct state or other government support
- b. Compensation and benefits paid by a third party
- c. Media rights revenue
- d. Sports camps revenues
- e. Bowl revenues
- f. Transfers back to the institution

Expenses

- a. Coaching other compensation paid by a third party
 - b. Support staff/administrative other compensation paid by a third party
 - c. Severance payments
 - d. Sports camp expenses
 - e. Indirect institutional support
 - f. Bowl expenses
 - g. Conference realignment expenses
 - h. Direct overhead and administrative expenses
3. We compared each revenue and expense amount greater than 10 percent of the total to prior year amounts and inquired of University management regarding individual changes greater than 10 percent from prior year amounts. University management's explanation of variances greater than 10 percent from prior year are included in the attached Supplemental Schedule.
 4. Per inquiry of University personnel the athletic department is not budgeted to the level of the statement thus comparison of each major revenue and expense account over \$1 million and/or percent of total revenues and expenses to budget estimates was not performed.

Revenues

5. *Student Fees* – We compared and agreed student fees reported by the Institution in the Statement to the reporting of student enrollments during the same reporting period.

We obtained and documented an understanding of the Institution's methodology for allocating student fees to intercollegiate athletics programs.

We recalculated student fee totals and agreed to the Statement, without exception.

6. *Direct Institutional Support* – We compared the direct institutional support recorded by the Institution during the year ended June 30, 2019, with institutional general ledger detail, without exception. The athletic department is not budgeted to the level of the statement and therefore; we were unable to compare to budgeted financials.

We recalculated direct institutional support and agreed to the Statement, without exception.

7. *Indirect Institutional Support* – We compared the indirect institutional support recorded by the Institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation, without exception.

We recalculated totals, without exception.

The total of these revenues are included in Contributions on the Statement of Revenues and Expenses.

8. *Contributions* – We compared the supporting schedule of contributions of moneys, goods or services received directly by the University Athletics Department to contributions per the Statement and recalculated the total without exception. We selected a sample of all single contributions that constituted 10 percent or more of all contributions received during the year ended June 30, 2019, and compared them to supporting documentation, noting that they agreed without exception.
9. *NCAA Distributions* – We compared the amounts recorded in the revenue and expense reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents.
10. *Other Operating Revenue* – We obtained a supporting schedule for other operating revenue reported in the Statement and recalculated the total noting that it agreed to the Statement without exception. We selected a sample of three other operating revenue transactions and compared them to supporting documentation, noting that they agreed without exception.

Operating Expenses

11. *Athletic Student Aid* – The University uses the NCAA’s compliance assistant (CA) software to prepare athletic aid detail, therefore, we selected a sample of 40 of the total student athletes from the listing of University student aid recipients captured from a squad list by sport. We recalculated total student aid provided for each sport and overall.

We obtained individual student account detail per the Institution for each selection and compared to the student’s detail in the CA software. Management indicated that University has opted to report “average aid” in the CA software as opposed to “actual aid” for students who receive a full scholarship, therefore, for 21 of the student-athletes selected, the aid provided by the institution was agreed to the “2018-2019 Undergraduate Costs Report” for resident and nonresident students provided by the University Athletics Compliance department. Amounts reported in the CA software agreed to the individual student account detail or the “2018-2019 Undergraduate Costs Report”, with the following exceptions. For four students we noted the student-athletes’ financial aid total was changed subsequent to initial reporting in the CA software and were not subsequently updated in the CA software. The revised financial aid for each of these four student athletes was agreed to supporting documentation provided by the Student Financial Aid.

We compared the following details to the information recorded in the NCAA’s CA software (where applicable) for each of the 40 students selected in the sample:

- a. The equivalency value for each student-athlete was converted to a full-time equivalency value without exception.
- b. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in value without exception.
- c. Other expenses related to attendance were not included in grant-in-aid revenue distribution equivalencies.
- d. The full grant amount was the full cost of tuition for an academic year, not semester or quarter.
- e. Student-athletes had been counted only once and did not receive a revenue distribution equivalency greater than 1.00 with the following exceptions.
- f. Athletic aid was awarded only in sports in which the NCAA conducts championship competitions, emerging sports for women or football.
- g. All sports for which grants-in-aid were distributed met the minimum contest and participants’ requirements of Bylaw 20.9.6.3.
- h. Student-athletes listed on the CDRE as “Exhausted Eligibility (fifth-year)” or “Medical” received credit in the grants-in-aid component.
- i. The athletics aid equivalency does not exceed maximum equivalency limits.

- j. Students receiving aid from athletics grants for a discontinued sport which is still being honored by the University are included in student-athlete aid for revenue distribution purposes.
 - k. The equivalency calculation was rounded to two decimal places.
 - l. If the student received a Pell Grant, the value of the grant was not included in the total dollar amount of student athletic aid expense.
 - m. The University has not yet entered Pell Grants in the NCAA Membership Financial Reporting System as management indicated that the submission will be made in January 2020. Pell Grants awarded to student-athletes in the sample were agreed between the University's financial aid records to a University Athletics Department listing provided by Compliance, without exception. Management indicated that the list provided by Compliance is the information it will enter into the NCAA Membership Financial Reporting System.
12. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – We obtained a listing of coaches employed by the University during the year ended June 30, 2019. We selected a sample of three coaches' contracts that included football, men's basketball and women's basketball. We agreed the financial terms and conditions of each selection to the payroll summary registers for the reporting year provided by the University and recalculated totals for each selection, without exception. We also recalculated totals recorded in the Statement, without exception.
13. *Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities* – We selected a sample of three athletic support staff/administrative personnel employed by the University. We obtained supporting salary information per the financial system for each selection and agreed the information to the payroll summary registers provided by the University and recalculated totals recorded in the Statement, without exception.
14. *Team Travel* – We obtained and documented the University's team travel policies and compared them to the NCAA policies, noting no exceptions. We obtained supporting schedules for team travel expenses, recalculated totals and compared to the Statement without exception.
15. *Athletic Facilities Debt Service, Lease and Rental Fees* – We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the year ended June 30, 2019, and recalculated totals without exception. We compared a sample of the three highest facilities payments to supporting documentation without exception.
16. *Direct Institutional Support* – We obtained the supporting schedule for direct institutional support, recalculated totals and agreed to the Statement without exception.
17. *Other Operating Expenses and Transfers to the Institution* – We obtained a schedule for all other operating expenses and agreed the listing to the Statement without exception. We selected a sample of three other operating schedules without exception.

Minimum Agreed-Upon Procedures – NCAA Membership Financial Reporting System

18. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University, noting they agreed without exception. We compared current Grants-In-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission noting no variance greater than 4.0 percent.
19. We obtained the University's Sports Sponsorship and Demographics Forms Report for the year ended June 30, 2019, and agreed the countable sports reported by the University with the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. We noted the University has reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. We also compared the current year number of Sports Sponsored to the prior year total reported per the Membership Financial Reports submission noting no variance.
20. We obtained a listing from the University financial aid records of all student athletes' receiving Pell Grants during the year ended June 30, 2019, and agreed it to the listing of athletes receiving Pell Grants provided by compliance. As noted in *Item 11(m)* the University has not yet reported Pell Grants in the NCAA Membership Financial Reporting System as management indicated that the submission will be made in January 2020. We also compared the current year Pell Grants total to prior year reported total per the Membership Financial Report submission noting the variance was below 20 grants.

Minimum Agreed-Upon Procedures For Other Reporting Items

21. We obtained from management and recalculated repayment schedules and annual maturities for all outstanding intercollegiate debt identified by management during the reporting period. We agreed the total annual maturities and total outstanding athletic related debt to the University's general ledger.
22. We obtained a schedule of outstanding institutional debt from management and the University's audited financial statements. We agreed the schedule of outstanding institutional debt to the University's audited financial statements, without exception.
23. We obtained the detail of all athletics dedicated endowments and agreed the fair market value of the endowments to supporting documentation. The value of athletics dedicated endowments is included in the total value of the institutional endowments.
24. We obtained the detail of all institutional endowments and agreed the fair market value of the endowments to supporting documentation. We agreed the value of institutional endowments to the audited financial statements of the Missouri State University Foundation.
25. We inquired with management about athletics related capital expenditures noting there were none in the current year.

Clifton Smart, III, President and the Board of Governors
Missouri State University
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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying University Athletics Department Statement of Revenues and Expenses for the year ended June 30, 2019, or the specified elements, accounts and items or internal control over financial reporting and compliance described above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

BKD, LLP

Springfield, Missouri
January 14, 2020

Missouri State University
Intercollegiate Athletics Department
Statement of Revenues and Expenses
Year Ended June 30, 2019

	Men's Program	Women's Program	Nongender	Support Services	Other Sources	Total
Operating Revenue						
Ticket sales	\$ 805,397	\$ 177,192	\$ -	\$ -	\$ -	\$ 982,589
Student fees	-	-	-	-	3,873,567	3,873,567
Guarantees	512,860	29,500	-	-	-	542,360
Program, novelty, parking and concession sales	212,949	56,709	-	-	-	269,658
MVC reimbursement	313,647	101,216	161,806	-	-	576,669
Royalties, licensing, advertisement and sponsorships	15,000	-	684,821	-	-	699,821
Other operating income	742,010	642,372	50,665	62,000	1,433,289	2,930,336
NCAA Revenue Distribution	665,033	610,373	-	-	-	1,275,406
Direct Institutional Support	5,979,174	4,580,634	985,724	1,009,635	-	12,555,167
Contributions	883,520	321,434	127,372	13,026	3,280,429	4,625,781
In-Kind Contributions	128,037	55,703	-	-	-	183,740
Athletics Restricted Endowment Investment Income	180,318	68,890	131	3,000	-	252,339
Total Revenues	<u>10,437,945</u>	<u>6,644,023</u>	<u>2,010,519</u>	<u>1,087,661</u>	<u>8,587,285</u>	<u>28,767,433</u>

Missouri State University
Intercollegiate Athletics Department
Statement of Revenues and Expenses
Year Ended June 30, 2019

	Men's Program	Women's Program	Nongender	Support Services	Other Sources	Total
Expenditures						
Athletic student aid	\$ 3,101,965	\$ 2,503,192	\$ -	\$ 22,170	\$ -	\$ 5,627,327
Guarantees	309,621	7,806	-	-	-	317,427
Coaches' salaries, benefits and bonuses paid by the University and related entities	2,759,408	1,977,724	-	-	-	4,737,132
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	508,370	267,519	1,371,587	882,849	-	3,030,325
Recruiting	405,833	160,377	-	-	-	566,210
Team travel	1,249,920	932,740	-	-	-	2,182,660
Sports equipment, uniforms and supplies	414,614	175,759	-	-	-	590,373
Game expenses	462,882	195,552	-	-	-	658,434
Fundraising, marketing and promotion	25,353	25,137	35,935	-	-	86,425
Medical expenses and insurance	124,739	79,751	-	-	-	204,490
Spirit groups	-	-	-	80,335	-	80,335
Membership and dues	20,087	3,876	36,275	4,088	-	64,326
Athletic facilities lease	194,482	20,137	-	-	5,861,223	6,075,842
Direct institutional support	-	-	-	-	2,726,062	2,726,062
Student-athlete meals (nontravel)	14,457	12,688	-	-	-	27,145
Other operating expenses	846,214	281,765	566,722	98,219	-	1,792,920
Total Expenditures	10,437,945	6,644,023	2,010,519	1,087,661	8,587,285	28,767,433
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Missouri State University
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
June 30, 2019

Note 1: NCAA Reporting Requirements

The accompanying Statement of Revenues and Expenses (the "Statement") has been prepared on the accrual basis of accounting and is presented in a manner which intends to report all activity of the Missouri State University (the "University") Athletics Department, including activity reported by the Missouri State University Foundation (the "Foundation") related to intercollegiate athletics. Revenues without donor restrictions are recorded when earned and expenditures are recorded when incurred. Revenues with donor restrictions are reported when expended rather than when received. The revenues and expenditures have been classified on a basis consistent with the account structure of the University.

The National Collegiate Athletic Association (NCAA) mandates the financial reporting timeline to specify agreed-upon procedures and related reporting requirements. The primary purpose of the agreed-upon procedures report is to ensure that the president of the University is made aware of all financial activity (both internal and external) for athletics purposes and to assist the Institution in exercising control over financial activity made by or on behalf of the intercollegiate athletics program.

Note 2: Capital Assets

Land is stated at cost. Buildings and improvements are stated at June 30, 1953, replacement costs with subsequent additions stated at cost. Library materials are stated at June 30, 1978, estimated historical cost, with subsequent additions stated at cost.

Building additions and improvements with a cost in excess of \$200,000 are capitalized if the life of the building is extended. Equipment with a cost in excess of \$5,000 with a useful life greater than one year is capitalized. Donated assets are transferred from the Missouri State University Foundation and are recorded at the fair value at the date of donation to the Foundation. Infrastructure assets are included in the financial statements and are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives. Expenditures for construction in progress are capitalized when the project is completed. The following estimated useful lives are being used by the University:

Capital Assets

Land improvements	20 years
Buildings and improvements	7 – 40 years
Furniture, fixtures and equipment	3 – 15 years
Infrastructure	20 years
Library materials	10 years

Missouri State University
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
June 30, 2019

All University property is to be disposed of through the Property Control Office, with the exception of selected agricultural items. Items no longer needed by the University are either sold at public auction or by sealed bid.

Note 3: Affiliated Organizations

The Missouri State University Foundation (Foundation) is a related entity of the University. The Foundation conducts fundraising activities that support the University.

Note 4: Long-Term Debt

The scheduled maturities of the revenue bonds and leases are as follows as of June 30, 2019:

	Basketball Arena	Athletic Fields	Total
2020	\$ 3,868,331	\$ 1,880,855	\$ 5,749,186
2021	3,865,731	1,878,258	5,743,989
2022	3,861,231	1,876,256	5,737,487
2023	3,860,731	1,876,158	5,736,889
2024	3,861,131	1,876,146	5,737,277
Thereafter	<u>20,632,845</u>	<u>10,859,583</u>	<u>31,492,428</u>
	<u><u>\$39,950,000</u></u>	<u><u>\$20,247,256</u></u>	<u><u>\$ 60,197,256</u></u>

Supplemental Schedule

Missouri State University

Intercollegiate Athletics Department

Statement of Revenues and Expenses Variance Schedule of the University Athletics Department and Affiliates Year Ended June 30, 2019

	2019	0	Difference	Explanation
Revenues				
Other Sources - Contributions	\$ 3,280,429	\$ 2,944,702	\$ 335,727	Increase due to increase in gifts for JQH Arena.
Total - Other Operating Income	\$ 2,930,336	\$ 1,936,663	\$ 993,673	Increase due to \$765,000 in basketball arena suites sales included in this line as well as buyout money from University of Tennessee for former Women's Basketball Coach.
Expenses				
Men's - Athletic Student Aid	\$ 3,101,965	\$ 2,714,721	\$ 387,244	Increase due to more scholarships being awarded in football as well as overall increase in cost of tuition and fees.
Total - Athletic Student Aid	\$ 5,627,327	\$ 5,115,019	\$ 512,308	Increase due to more scholarships being awarded in football as well as overall increase in cost of tuition and fees.

IV.



***Custodian of Records:
Record Request Statistics***

February 19, 2020

Office of Internal Audit and Risk Management



Missouri State[™]

U N I V E R S I T Y

DATE: February 19, 2020

TO: Missouri State Board of Governors Risk Management and Audit Committee

CC: Rachael Dockery, General Counsel
Clifton M. Smart III, University President

FROM: Donna Christian, Director of Internal Audit and Risk Management
Natalie B. McNish, Senior Internal Auditor

Custodian of Records: Record Request Statistics

BACKGROUND

Missouri State University provides access to allowable records as required by the Sunshine Law (Chapter 610 RSMo). The Open Meetings and Records policy (G1.17) provides the appointment of the Custodian of Records, guidelines regarding accessible records and establishment of fees. The Director of Internal Audit and Risk Management has been named the Custodian of Records for the University and therefore, requests for University records by third parties are received, tracked, and filled by the Office of Internal Audit and Risk Management.

OBJECTIVE, SCOPE AND METHODOLOGY

The objectives of this review were to summarize the data related to record requests for the years ending December 31, 2014 through 2019. Data was accumulated from the Record Request Log, which identifies the date a request is received, the requestor's name, the records being requested, the date the request is filled, and provides comments related to the fulfillment of each request.

SUMMARY

The Office of Internal Audit and Risk Management received and processed 1,306 record requests between January 1, 2014 and December 31, 2019.

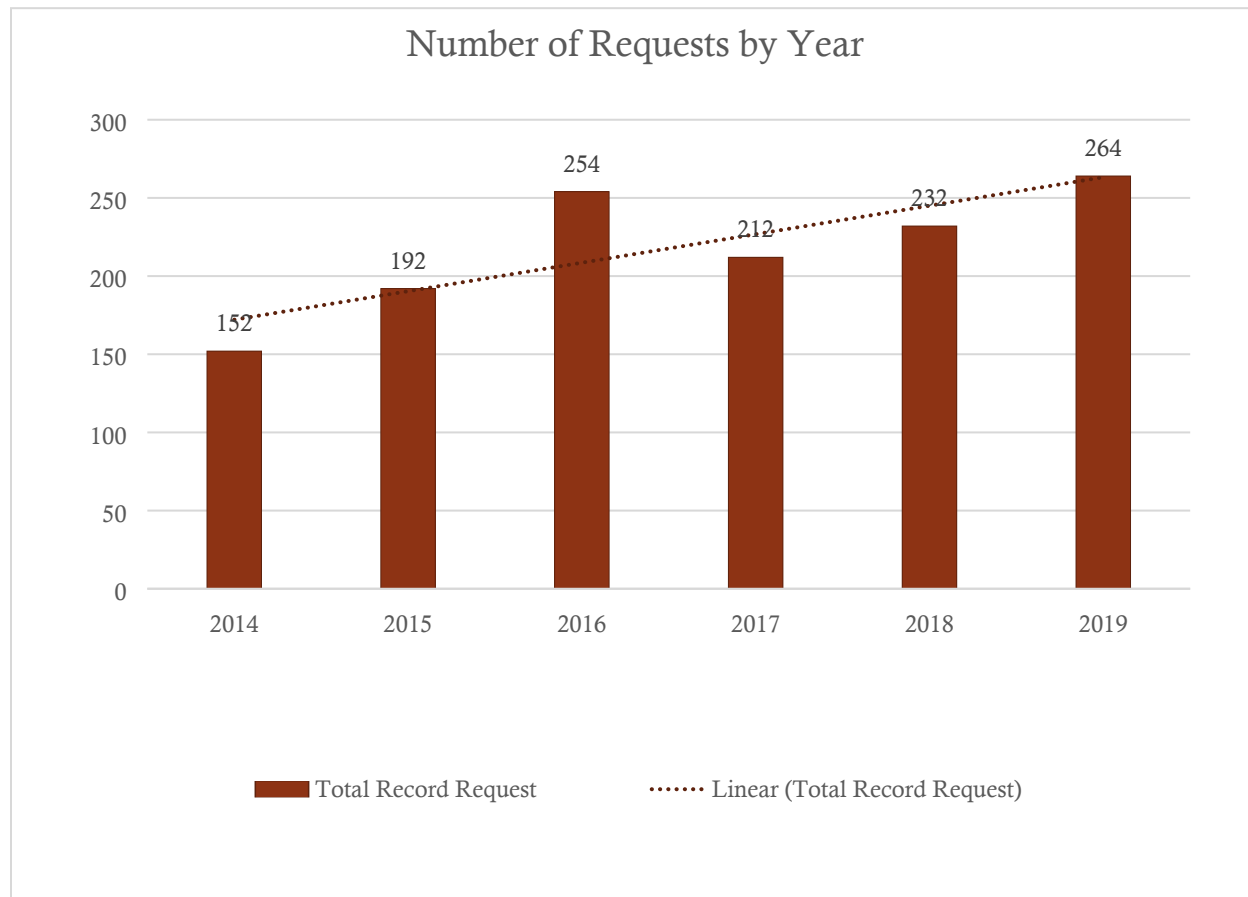
Donna K. Christian, CPA, CGFM,
Director of Internal Audit and Risk Management

Natalie B. McNish, CFE, CGAP
Senior Internal Auditor

Record Request Statistics

Number of Requests

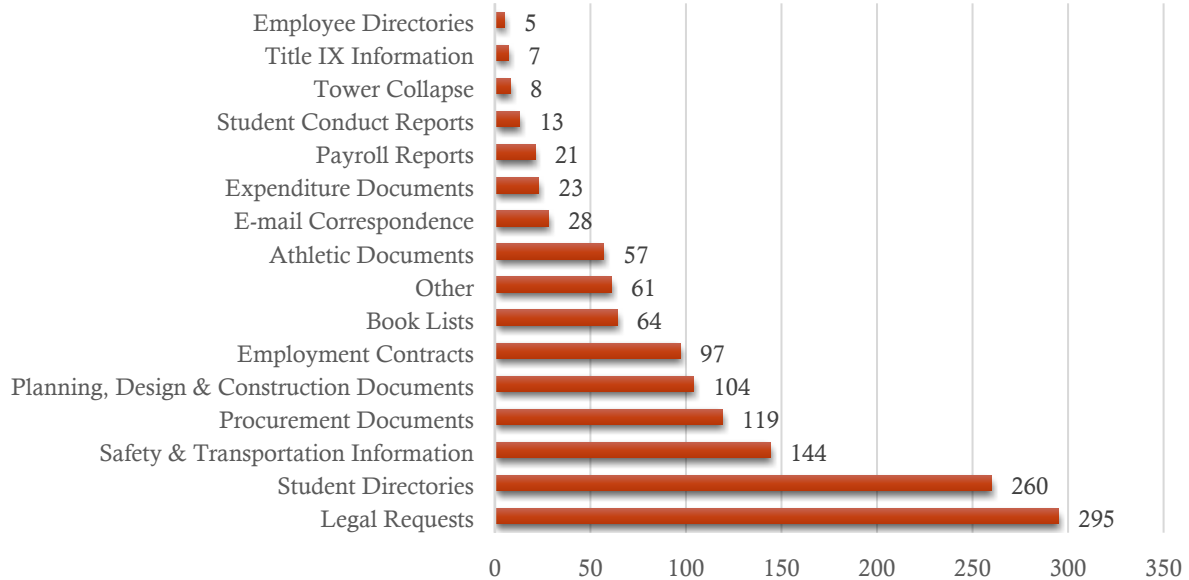
The Office of Internal Audit and Risk Management received and processed a total of 1,306 record requests between January 1, 2014 and December 31, 2019 for both the Springfield and West Plains Campuses. These requests include Sunshine Law requests (open record requests) and legal requests (requiring a signed legal release for documents or a subpoena). During the past six years, the University has experienced a 74% increase in record requests.



Type of Records Requested

The Sunshine Law (Chapter 610 RSMo) provides open access to governmental records, except as provided in Section 610.021 RSMo, which provides special consideration for certain records including ongoing legal and real estate actions, personnel records; health records, and scholastic records, or other privacy law such as HIPPA and FERPA. Records which are closed by the Sunshine Law (e.g. educational and employment records) can still be requested and released by obtaining a release from the record owner or through subpoena. The chart below shows a break down by type of the 1,306 total requests processed.

Records Requested by Category 2014-2019



2018 Internal Review

In 2018, an internal review of record requests was completed to determine the number and types of requests received and how those requests could be processed in the most efficient manner. From this internal review, the following improvements were made:

- A website was created for Custodian of Records, which provided requestors with information on the Missouri Sunshine Law, the Open Meetings and Records Policy (G1.17), and instructions on how to request documents.
- A separate e-mail address, CustodianofRecords@MissouriState.edu, was created and included on the website to receive and respond to all requests.
- Direct access to all athletic and administrative employment contracts (identified as 15% of total requests received) was included on the Custodian of Records website.
- Links providing direct access to various financial documents & reports was included on the Custodian of Records website.
- A fee schedule for requests was implemented and the Office began calculating and charging fees for services provided for most requests. Fees are reviewed twice a year (January & July) to ensure fees charged cover employee costs.

Because of these changes, most requests now come through the new e-mail address, requests for employment contracts have decreased by 65%, and a total of \$9,224 in cost reimbursement was collected in 2018 and 2019.

Current Trends in Record Requests

During the current review, we identified the following trends in record requests:

- Between 2017 and 2019, legal requests processed have increased by 62%. Legal requests include subpoenas and requests for educational or other records, which require a signed legal release authorizing the issuance of the document to a particular entity. This increase is partially related to efforts of the Custodian of Records to accommodate government agency background check investigations through the Office of Internal Audit and Risk Management rather than these investigations being conducted through several different University offices. By consolidating these efforts, the University is better able to track these types of requests, maintain documentation of the releases used and educational records provided.
- Requests for e-mail correspondence, Safety & Transportation information, and other record requests which require the Office to convert each record into a secure file and then review each record for possible closure or redaction, have increased 61% since 2014. To expedite the conversion and redaction processes, the Office is planning to purchase new pdf editing software in 2020.
- The number of requests for certain other types of information has also increased since 2014. These include the following:

Requests received during the year ended December 31,						
	2014	2015	2016	2017	2018	2019
Student Directories	30	34	48	42	53	53
Book Lists	7	5	9	11	17	15
Athletic Department Documents	1	5	9	6	11	25

V.

RECOMMENDED ACTION - Resolution authorizing closed meeting

The following resolution was moved by _____ and seconded
by _____:

BE IT RESOLVED by the Board of Governors for the Missouri State University that a closed meeting, with closed records and closed vote, be held during a recess of the Risk Management and Audit Committee of the Board of Governors to consider items pursuant to

- A. R.S.Mo. 610.021(1). "Legal actions, causes of action, or litigation involving a public governmental body..."
- B. R.S.Mo. 610.021(2). "Leasing, purchase or sale of real estate by a public governmental body..."
- C. R.S.Mo. 610.021(3). "Hiring, firing, disciplining or promoting of particular employees by a public governmental body..."
- D. R.S.Mo. 610.021(6). "Scholastic probation, expulsion, or graduation of identifiable individuals..."
- E. R.S.Mo. 610.021(9). "Preparation, including any discussions or work product, on behalf of a public governmental body or its representatives for negotiations with employee groups;"
- F. R.S. Mo. 610.021(11) and (12). "Specifications for competitive bidding..." and "Sealed bids and related documents..."
- G. R.S.Mo. 610.021(13). "Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment..."
- H. R.S.Mo. 610.021(14). "Records which are protected from disclosure by law;" and
- I. R.S.Mo. 610.021(17). "Confidential or privileged communications between a public governmental body and its auditor,...."

VOTE: _____ AYE

_____ NAY