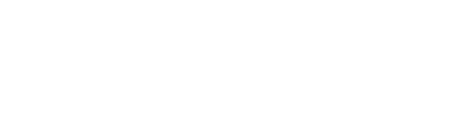
**Tennessee State University**

**Board of Trustees**



**Audit**

**Committee**

**Report**

**TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES**

**AUDIT COMMITTEE MEETING AGENDA**

|  |  |
| --- | --- |
| 10:00 a.m. CST  Thursday, June 13, 2019 | Tennessee State University – Main Campus McWherter Administration Building,  President’s Conference Room  3500 John A. Merritt Blvd. Nashville, TN 37209 |

ORDER OF BUSINESS

1. Call to Order
2. Roll Call/Declaration of a Quorum
3. Approval of the February 21, 2019, Audit Committee Meeting Minutes
4. Annual Report on the Audit Office’s Audit Activities
5. Discussion of the Audit Office’s Internal Quality Assessment
6. Approval of the Fiscal Year 2019-2020 Audit Plan
7. Executive Session Discussion of Items Deemed Confidential Under State Law

**Tennessee State University**

**Board of Trustees**



**Approval of the**

**February 21, 2019,**

**Audit Committee**

**Meeting Minutes**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

|  |  |
| --- | --- |
| DATE: | June 13, 2019 |
| ITEM: | Audit Committee Report - Approval of the February 21, 2019, Audit Committee Meeting Minutes |
| RECOMMENDED ACTION: | Approval |
| PRESENTED BY: | Chair of Audit Committee, Trustee Deborah Cole |

The document reflecting the minutes from the February 21, 2019, Audit Committee meeting is included in the June 13, 2019, Board materials.

MOTION: To approve the minutes from the Board of Trustees’ February 21, 2019, Audit Committee meeting as contained in the Board materials for the Board’s June 13, 2019, meeting.

**Tennessee State University Board of Trustees**

**Audit Committee Meeting.**

**February 21, 2019**

**Tennessee State University. 3500 John A. Merritt Blvd. Nashville, Tennessee**

**McWherter Administration Building**

**President’s Conference Room**

**MINUTES**

**Committee Members Present:** Dr**.** Deborah Cole, Obie McKenzie, and Dr. Edith Peterson Mitchell.

**Other Board Members Present**: Dr. Joseph Walker, III, Pam Martin, Dr. Ali Sekmen, Braxton Simpson, and Mr. Stephen Corbeil.

**University Staff Present**: President Glenda Glover; Mr. Laurence Pendleton, General Counsel and Board Secretary; Dr. Curtis Johnson, Chief of Staff and Associate Vice President of Administration; Ms. Adrian Davis, Director of Internal Audit; Horace Chase, Vice President for Business and Finance, and Dr. John Cade, Vice President for Enrollment Management.

**Guests:** Ms. Lauren Collier, Tennessee Higher Education Commission, Director of Institution and Board Affairs.

1. **CALL TO ORDER**

Trustee Cole called the meeting to order at10:45 a.m. on February 21, 2019.

1. **Roll Call/Declaration of a Quorum**

Trustee Cole asked the secretary to the board to call the role. Board Secretary Pendleton called the roll. Trustees Cole, McKenzie (remote), and Mitchell were present. Secretary Pendleton announced the presence of a quorum.

1. **Approval of the November 15, 2018, Audit Committee Meeting Minutes**

Trustee Cole moved to approve the minutes from the November 15, 2018, Audit committee meeting as contained in the February 21, 2019, board materials. Trustee Mitchell seconded the motion, which carried unanimously.

1. **Approval of the Office of Internal Audit’s Revised Charter**

Trustee Cole asked President Glover to present a report on the Office of Internal Audits revised charter. President Glover designated Adrian Davis to present the report.

Director Davis informed the committee that the internal audit charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, states “The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.”

Director Davis stated that an internal assessment was performed on the Office and independently validated by KraftCPAs. KraftCPAs recommended additional language be added to the Office’s Audit Charter to better reflect the mandatory nature of and specific elements of the Institute of Internal Auditors’ International Professional Practices Framework. She noted that the ‘Audit Standards and Ethics’ section of the charter has been updated to include this information. The revised charter has been signed by the President and the Director of Internal Audit.

Trustee Cole thanked President Glover and her team for the report. Trustee Cole moved to recommend to the full board, the approval of the Office of Internal Audit’s Revised Charter as contained in the materials for the February 21, 2019, board materials. Trustee Mitchell seconded the motion, which carried unanimously.

1. **Review of Completed Internal Audit Reports**

Trustee Cole asked President Glover to present on the completed internal audit. President Glover asked Adrian Davis to present the report as her designee.

Director Davis reported that Tennessee State University is governed by its board of trustees, which consists of 10 members (the Board) as determined by state law. In accordance with the "State of Tennessee Audit Committee Act of 2005," the Director of Internal Audit reports directly to the Audit Committee of the Board and oversees the internal audit operations.

Director Davis noted that internal audits assist Tennessee State University's management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements, and providing other information designed to promote effective controls.

Director Davis reminded the committee that internal audit staff were asked to report on the status of management’s implementation of corrective actions implemented in response to the Division of State Audit’s finding related to return of Title IV funds. Thirty-two student withdrawals for fall 2019 required the return of Title IV funds. All 32 return of Title IV funds calculations performed during the fall 2018 semester were accurate. Thirty-one of the 32 (97%) transactions analyzed showed return within 30 days. The Department of Education has a 45- day requirement. One of 32 (3%) returns was 57 days late. It appears that management has taken steps to address the fiscal year 2017 finding noted by the Division of State Audit.

Director Davis provided a follow-up to the state audit report for the fiscal year ending June 30, 2017. There were five findings of note:

1. Finding: As noted in the prior two audits, management needs to improve procedures for preparing and reviewing financial statements.
2. Finding: TSU and TSU Foundation’s accounting records show $246,000 more cash on hand than shown on the bank statements; this variance is unexplained
3. Finding: The university did not have adequate policies and procedures for the collection of accounts receivable
4. Finding: Return of Title IV funds were not in compliance with federal regulations.
5. Finding: As noted in the prior three audits, Tennessee State University did not provide adequate internal controls in one area.

Trustee Cole asked for confirmation that an audit was completed for November 2018.

Director Davis responded that the November 2018 audit had not been completed as of the date of the meeting.

Trustee Cole asked Director Davis to provide a chart showing audit results in subsequent meetings. The chart should include the findings, the responder, the response, the procedures to be implemented, and status of whether the finding has been cleared or not.

Trustee Cole asked whether the $246,000 discrepancy could have resulted from the timing of the reconciliation.

Director Davis responded that the timeline for reconciliation is within 60 days.

Trustee Cole asked for verification that the two issues are related and Director Davis agreed.

Trustee Cole thanked President Glover and her staff for the report.

President Glover commented on an audit conducted by THEC regarding the institution’s purging processes. THEC found that the university did not appropriately purge students with balances. The finding included students with excessive balances. President Glover continued and stated that the institution tried to retain students by using some of its financial reserves and by instituting a deferred payment plan. These efforts were unsuccessful. The institution worked with THEC to develop a revised purge policy.

President Glover informed the committee that the administration failed to adhere to the institution’s policies, but that no state law was violated.

Trustee Cole stated that she observed the purge process for the fall 2019 semester and that she worked to allocate funds to students who could be retained. She confirmed for the committee that all of the students who were retained were retained within policy.

President Glover stated that the results of the institution following the policy are that the current enrollment is lower than normal, but that the student body is more fiscally stable.

Director Davis reported that the audit of research and sponsored programs demonstrated that of over $1.5M in grants evaluated, two issues totally less than $3,000 combined, showed error. Unallowable benefit expenses of $1,285.20 were charged to the grant for the POTUS program and unallowable indirect costs totaling $1,241.25 were charged to the Career Commitment and Retention in STEM grant. Director Davis further reported that the instructions were unclear and the report was untimely submitted.

Trustee Cole asked for bank reconciliation policy and clarification on how funds from the foundation are allocated to the university.

1. **Report on University’s Risk Assessment Process**

Trustee Cole asked President Glover to provide a report on the university’s risk assessment process. President Cole asked Director Davis to continue.

Director Davis reported that the Financial Integrity Act of 2010 requires each agency of state government and institution of higher education to establish and maintain internal controls that provide reasonable assurance that:

(1) Obligations and costs are in compliance with applicable law;

(2) Funds, property and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and

(3) Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets. To document compliance, Tennessee State University performs annually assessments of risk. The purpose of the annual risk assessment is to provide reasonable assurance of the following:

(1) Accountability for meeting program objectives;

(2) Promoting operational efficiency and effectiveness;

(3) Improving reliability of financial statements;

(4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and

(5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

Trustee Cole thanked President Glover and Director Davis for the report.

1. **Executive Session – Discussion of Items Deemed Confidential under State Law**

Trustee Cole moved to retire into executive session to discuss items deemed confidential under state law. Trustee Mitchell seconded the motion, which carried unanimously. The committee transitioned into executive session at 11:11 a.m.

1. **Adjournment**

There was no further discussion. Trustee Cole moved to adjourn the meeting. Trustee Mitchell seconded the motion, which carried unanimously. The meeting was adjourned.

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

INFORMATION ITEM

|  |  |
| --- | --- |
| DATE: | June 13, 2019 |
| ITEM: | Audit Committee Report – Annual Report on the Audit Office’s Audit Activities |
| RECOMMENDED ACTION: | None |
| PRESENTED BY: | Chair of Audit Committee, Trustee Deborah Cole |

The Tennessee State University Board of Trustees Audit Committee Charter requires the Audit Committee to review the Audit Office’s annual activities with the Director of Internal Audit.

The Director of Internal Audit will discuss the Office of Internal Audit’s Year End Report for fiscal year 2018-19.



DEPARTMENT OF INTERNAL AUDIT

Year-End Report on

Audit Activity for the

Year Ended June 30, 2019

Adrian R. Davis, CPA, CGFM

Director of Internal Audit

Ray Trobaugh, CFE, CGFM

Assistant Director of Internal Audit

Tennessee State University

Department of Internal Audit

**Report on Annual Audit Activity**

Fiscal Year Ending June 30, 2019





**Audits Completed**



**Audits Completed (continued)**



**Outstanding Recommendations for Prior Year(s) Completed Audits**





DEPARTMENT OF INTERNAL AUDIT

Audit of Institutional Scholarships



Department of Internal Audit

3500 John A. Merritt Boulevard

Nashville, Tennessee 37209

May 6, 2019

Dr. Glenda Baskin Glover, President

Tennessee State University

3500 John A. Merritt Boulevard

Nashville, Tennessee 37209

Dear Dr. Glover:

Enclosed is the internal audit report related to our audit of Institutional Scholarships.

The overall objective of the audit was to determine if university management was appropriately selecting, awarding, and disbursing funds to institutional scholarship award recipients. Our audit did not result in any audit findings.

We appreciate the courtesy and cooperation of institution personnel during the audit.

Sincerely,

Adrian R. Davis

Adrian R. Davis, CPA, CGFM

Director of Internal Audit

Tennessee State University

CC: Dr. Deborah A. Cole, Tennessee State University Audit Committee Chair

Dr. John Cade, Vice President for Enrollment and Student Success

**Tennessee State University**

**Department of Internal Audit**

**Audit of Institutional Scholarships**

**Executive Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Key Area** | Office of Financial Aid | **Internal Auditor** | Adrian R. Davis, CPA, CGFM | |
| **Background and Introduction** | One of the nation’s most prominent Historically Black College and University’s (HBCUs) was recently involved in a scandal related to the misappropriation of institutional scholarship funds. The fraud ensued over the course of several years and was carried out by the institution’s employees. A lack of sufficient and appropriate internal controls lead to the fraud going undetected. This scandal prompted the President of Tennessee State University (TSU), Dr. Glenda Baskin Glover, to charge management with ensuring a similar scandal did not occur at TSU.  Scholarships are used to assist students in funding their education. Scholarships are based on a combination of the student's academic performance, community service, residency and other criteria. | | | |
| **Objectives** | 1. Determine if the process of awarding institutional scholarships is efficient and effective 2. Determine if management’s awarding of institutional scholarships is objective 3. Determine if the awarding of institutional scholarships adheres to university policies and procedures 4. Determine if the students awarded institutional scholarships met the eligibility requirements and received the proper award amounts 5. Determine that actual award amounts disbursed did not exceed the budgeted totals | | | |
| **Scope** | Fall 2018 and Spring 2019 institutional award recipients | | | |
| **Questioned Costs** | N/A | **Recoveries** | | N/A |
| **Audit Finding Ranking** | Audit findings are rated as high, medium or low depending on auditor judgment. Some of the factors considered in judging the seriousness of a finding include: (1) level of financial impact, (2) extent of violation of laws, regulations and restrictions, (3) lack of a university policy or noncompliance with a matter in an important matter, (4) lack of internal controls or ineffective controls and procedures, and (5) fraud, theft, conflicts of interest or serious waste of university resources. | | | |
| **Findings** | None | | | |
| **Conclusion** | The objectives of the audit were met. It was determined that the process of awarding scholarships was effective and efficient. We found no bias in management’s awarding of scholarships to recipients. The awarding of institutional scholarships adheres to university policies and procedures. Institutional award recipients were found to have met the eligibility requirements to receive amounts awarded. Amounts awarded did not exceed initial budget thresholds. | | | |
| **Restriction on Use of Report** | *This report is intended solely for the internal use of Tennessee State University and the Tennessee State University Audit Committee, a standing committee of the Tennessee State University Board of Trustees. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the TSU Audit Committee and Tennessee State University Office of Internal Audit, and handled in accordance with institutional policies; however, this report is a matter of public record.* | | | |

**Institutional Scholarships**

We obtained a listing of institutional scholarship recipients awarded during the fall 2018 and spring 2019 semesters. We performed a review of the following institutional scholarships:

|  |  |  |
| --- | --- | --- |
| **Institutional Scholarships** | **Number of Recipients** | **Total Amount Paid** |
| Building Bridges (In-State) | 98 | $1,161,508.12 |
| Building Bridges (Out-of-State) | 18 | $ 374,503.00 |
| Academic Higher Achiever | 61 | $ 741,463.00 |
| Access and Diversity Scholarship | 37 | $ 161,256.50 |
| Academic Work Scholarship | 29 | $ 228,979.20 |
| Tennessee State University Scholarship | 30 | $ 210,629.50 |
| **TOTAL** | **273** | **$2,878,339.32** |

1. **Objective 1- Determine if the process of awarding institutional scholarships is efficient and effective**

The awarding of institutional scholarships is the responsibility of the Office of Financial Aid, in particular, the Assistant Director of Financial Aid. Applicants use the university’s scholarship portal to apply for institutional scholarships. Awards are made on a first-come, first-served basis for those students who meet the award criteria. After being selected to receive an institutional scholarship award, students are sent an Acceptance Letter. By signing the award agreement, the student agrees to adhere to pre-established guidelines to continue receiving award amounts. The deadline for applying for institutional scholarships is several months prior to the beginning of the fall semester. This helps to ensure awarding is efficient. The process was also determined to be effective as approximately 93% of the revised budget total for scholarships was awarded to students.

1. **Objective 2 – Determine if management’s awarding of institutional scholarships is objective**

We reviewed the scholarship awarding process to determine if appropriate controls were in place to prevent bias in the awarding of scholarships to students. Controls were determined to be appropriate.

1. **Objective 3 - Determine if the awarding of institutional scholarships adheres to university policies and procedures**

University policy 3:04:01:00, *Student Scholarships, Grants, Loans & Financial Aid Programs*, addresses institutional scholarships. There were no instances of noncompliance noted.

1. **Objective 4 - Determine if the students awarded institutional scholarships met the eligibility requirements and received the proper award amounts**

We selected for testing a random sample of 50 students who received an institutional scholarship during the fall 2018 and/or spring 2019 semester. We reviewed the students’ accounts to determine if they met the eligibility requirements for the institutional awards received and received the proper award amounts. No findings were noted.

1. **Objective 5 - Determine that actual awards amounts disbursed did not exceed the budgeted totals**

Scholarship offers did not exceed the original budgeted amount for institutional scholarships. During the fall 2018 semester, the university made university-wide budget cuts. Final award amounts disbursed exceeded the revised budget totals in some instances. At the time of the university-wide budget cuts, fall 2018 scholarship awards were already provided to eligible students. Due to the previous commitment to provide awards to approved applicants, the university upheld its obligation to the students for the spring 2019 semester as well. Actual expenses did not exceed the budget for awards funded with restricted funding.

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

|  |  |
| --- | --- |
| DATE: | June 13, 2019 |
| ITEM: | Audit Committee Report – Discussion of the Audit Office’s Quality Assessment |
| RECOMMENDED ACTION: | None |
| PRESENTED BY: | Chair of Audit Committee, Trustee Deborah Cole |

The Institute of Internal Auditors (IIA) requires that the Office of Internal Audit perform both internal and external quality assessments. Standard 1311, *Internal Assessments*, issued by the IIA, states that “the chief audit executive is responsible for ensuring that the internal audit activity conducts an internal assessment that includes both ongoing monitoring and periodic self-assessments.” Standard 1320, *Reporting on the Quality Assurance and Improvement Program*, requires the results of ongoing monitoring be reported to the audit committee at least annually.

The Director will discuss the results of the Office of Internal Audit’s internal quality assessment.

DEPARTMENT OF INTERNAL AUDIT

Internal Quality Assessment Review

May 2019



Department of Internal Audit

3500 John A. Merritt Boulevard

Nashville, Tennessee 37209-1561

May 1, 2019

Dr. Glenda Baskin Glover, President

Tennessee State University

3500 John A. Merritt Boulevard

Nashville, Tennessee 37209-1561

Dear President Glover:

Enclosed are the results of the self-assessment quality review for the Department of Internal Audit.

In accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, issued by the Institute of Internal Auditors (IIA), we implemented a Quality Assurance and Improvement Program for the Department of Internal Audit. As required by the Standards, this program must include periodic external reviews and internal self-assessments, as well as ongoing internal monitoring covering all aspects of the internal audit activity.

The *Standards* require an external quality assurance review be performed every five years. Our latest external review was completed in August of 2018. Our Quality Assurance and Improvement Program requires internal reviews to be performed between external reviews. Ongoing monitoring procedures of internal audit activities are performed daily as part of the policies and practices of our office.

The results of our internal assessment indicate that our office generally conforms to the *Standards* and the Code of Ethics.

A summary of our assessment is attached.

Sincerely,

Adrian R. Davis

Adrian R. Davis, CPA, CGFM

Director of Internal Audit

CC: Dr. Deborah A. Cole, Audit Committee Chair

**Table of Contents**

**Executive Summary3**

Requirement for Quality Assessments3

Procedures Performed3

Opinion as to Conformity with the Standards3

**Rating Definitions4**

**Attachment A - Evaluation Summary5**

EXECUTIVE SUMMARY

The Tennessee State University Department of Internal Audit conducted a quality self-assessment of the internal audit activity during fiscal year 2019. The principal objective of the quality self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (IIA) *International Standards for the Professional Practice of Internal Auditing* (*Standards*), the *Definition of Internal Auditing* and the *Code of Ethics*.

As part of the quality assessment, the Department of Internal Audit prepared a self-study of conformance to the IIA requirements*.* The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and working papers and reports.

For a detailed list of conformance to individual standards, please see ***Attachment A*** to this report.

**Requirement for Quality Assessments**

The Department of Internal Audit is required by The *IIA Standards,* to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

**Procedures Performed**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements*.* The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

**Opinion as to Conformity with the Standards**

The overall opinion is that Tennessee State University’s internal audit activity generally conforms to The IIA’s *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices.

**RATING DEFINITIONS**

GC – “Generally Conforms” means that the assessor has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the Standards or the Code of Ethics and has not applied them effectively or has not achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

PC – “Partially Conforms” means that the assessor has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, or a section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

DNC – “Does Not Conform” means that the assessor has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics, or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

**ATTACHMENT A – EVALUATION SUMMARY**

|  |  |  |  |
| --- | --- | --- | --- |
|  | GC | PC | DNC |
| Overall Evaluation | X |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Attribute Standards (1000 through 1300) | | GC | PC | DNC |
| 1000 | Purpose, Authority, and Responsibility | X |  |  |
| 1010 | Recognizing Mandatory Guidance in the Internal Audit Charter | X |  |  |
| 1100 | Independence and Objectivity | X |  |  |
| 1110 | Organizational Independence | X |  |  |
| 1111 | Direct Interaction with the Board | X |  |  |
| 1112 | Chief Audit Executive Roles Beyond Internal Auditing | X |  |  |
| 1120 | Individual Objectivity | X |  |  |
| 1130 | Impairment to Independence or Objectivity | X |  |  |
| 1200 | Proficiency and Due Professional Care | X |  |  |
| 1210 | Proficiency | X |  |  |
| 1220 | Due Professional Care | X |  |  |
| 1230 | Continuing Professional Development | X |  |  |
| 1300 | Quality Assurance and Improvement Program | X |  |  |
| 1310 | Requirements of the Quality Assurance and Improvement Program | X |  |  |
| 1311 | Internal Assessments | X |  |  |
| 1312 | External Assessments | X |  |  |
| 1320 | Reporting on the Quality Assurance and Improvement Program | X |  |  |
| 1321 | Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing” | X |  |  |
| 1322 | Disclosure of Nonconformance | X |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Performance Standards (2000 through 2600) | | GC | PC | DNC |
| 2000 | Managing the Internal Audit Activity | X |  |  |
| 2010 | Planning | X |  |  |
| 2020 | Communication and Approval | X |  |  |
| 2030 | Resource Management | X |  |  |
| 2040 | Policies and Procedures | X |  |  |
| 2050 | Coordination and Reliance | X |  |  |
| 2060 | Reporting to Senior Management and the Board | X |  |  |
| 2070 | External Service Provider and Organizational Responsibility for Internal Auditing | X |  |  |
| 2100 | Nature of Work | X |  |  |
| 2110 | Governance | X |  |  |
| 2120 | Risk Management | X |  |  |
| 2130 | Control | X |  |  |
| 2200 | Engagement Planning | X |  |  |
| 2201 | Planning Considerations | X |  |  |
| 2210 | Engagement Objectives | X |  |  |
| 2220 | Engagement Scope | X |  |  |
| 2230 | Engagement Resource Allocation | X |  |  |
| 2240 | Engagement Work Program | X |  |  |
| 2300 | Performing the Engagement | X |  |  |
| 2310 | Identifying Information | X |  |  |
| 2320 | Analysis and Evaluation | X |  |  |
| 2330 | Documenting Information | X |  |  |
| 2340 | Engagement Supervision | X |  |  |
| 2400 | Communicating Results | X |  |  |
| 2410 | Criteria for Communicating | X |  |  |
| 2420 | Quality of Communications | X |  |  |
| 2421 | Errors and Omissions | X |  |  |
| 2430 | Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing” | X |  |  |
| 2431 | Engagement Disclosure of Nonconformance | X |  |  |
| 2440 | Disseminating Results | X |  |  |
| 2450 | Overall Opinions | X |  |  |
| 2500 | Monitoring Progress | X |  |  |
| 2600 | Communicating the Acceptance of Risks | X |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Code of Ethics | | GC | PC | DNC |
|  | Code of Ethics | X |  |  |

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

|  |  |
| --- | --- |
| DATE: | June 13, 2019 |
| ITEM: | Audit Committee Report – Approval of Fiscal Year 2019-2020 Audit Plan |
| RECOMMENDED ACTION: | Approval |
| PRESENTED BY: | Chair of Audit Committee, Trustee Deborah Cole |

The annual audit plan for the Department of Internal Audit was prepared using a risk-based approach as required by the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. The audit plan covers the annual audit period ending June 30, 2020. Risk factors (e.g. internal controls, results of prior internal and external audits, results of management’s risk assessment, etc.) were considered when determining the items to be included in the audit plan.

The purpose of this agenda item is to consider for approval the Annual Audit Plan for fiscal year 2019-2020.

See Attachment.

MOTION: To approve the Fiscal Year 2019-2020 Audit Plan, as contained in the Board materials for the Board’s June 13, 2019, meeting.

Tennessee State University

Department of Internal Audit

Annual Audit Plan

2019-2020



TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

|  |  |
| --- | --- |
| DATE: | June 13, 2019 |
| ITEM: | Audit Committee Report – Executive Session. Discussion of Items Deemed Confidential under State Law |
| RECOMMENDED ACTION: | None |
| PRESENTED BY: | Chair of Audit Committee, Trustee Deborah Cole |