

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
March 16, 2023
Tennessee State University – Hankal Hall**

MINUTES

Committee Members Present: Trustee Deborah Cole, Obie McKenzie and Van Pinnock.

Other Board Members Present: Pam Martin, Andre Johnson, Steve Corbeil, Joseph Walker, Bill Johnson, and Shaun Wimberly.

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Robbie Melton, Acting Interim Provost & Vice President for Academic Affairs; Douglas Allen, Vice President of Finance and Budget; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Assoc. Vice President of Student Affairs; Dr. Quincy Quick, Assoc. Vice President of Research & Sponsored Programs; Terrence Izzard, Assoc. Vice President of Enrollment Management; Adrian Davis, Auditor and Dr. Arlene Nicholas-Phillips, Liaison to the Board of Trustees.

I. CALL TO ORDER

Chair Cole called the meeting to order at 10:39 a.m. on March 16, 2023.

II. ROLL CALL/DECLARATION OF A QUORUM

Chair Cole asked the Secretary to the Board to call the roll. Board Secretary Pendleton called the roll. Present: Trustees Deborah Cole, McKenzie and Van Pinnock. A quorum was established.

III. APPROVAL OF THE NOVEMBER 17, 2022, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the November 17, 2022, Audit committee meeting, as contained in the March 16, 2023, board materials. Trustee Pinnock seconded the motion, which carried.

IV. REVIEW AND DISCUSSION OF THE COMPTROLLER'S REPORT ON TSU'S OPERATIONS

Trustee Cole introduced the next item on the agenda, the review of the completed external audits. She then asked President Glover to provide pertinent information related to this agenda item. The material is included in the March 16, 2023, Board Meeting packet. This was an informational discussion item, so no vote was required.

Chair Cole called on President Glover to remind the Board that a copy of the Comptroller's Report had been distributed among the trustees prior to the convening of the day's meeting. This allowed everyone the opportunity to review in detail.

Chair Cole then asked if anyone had any comments about the report. Seeing none, she moved to the next agenda item.

V. REVIEW AND DISCUSSION OF THE BOARD'S RESOLUTION IN RESPONSE TO THE COMPTROLLER'S REPORT ON TSU'S OPERATIONS

Trustee Cole announced the next item on the agenda, the review and discussion of the Board's Resolution in response to the Comptroller's Report on TSU's Operations and asked President Glover to provide pertinent information related to this agenda item. The material is included in the March 16, 2023, Board Meeting packet. This was an informational and discussion item, so no vote was required.

President Glover asked if the Board had any specific questions pertaining to the Resolution presented. The detailed outline are on pages 30 and 31 in the Board materials. President Glover proceeded to review each of the twelve items listed. Chair Cole reminded the Board that this Resolution holds the President as well as the Board at a higher accountability standard to ensure that all items listed get accomplished.

The Board discussed each of the twelve items in the proposed Resolution. The Board discussed what enhanced oversight by the Board entailed and efforts the Board has taken.

It further discussed scholarship funding, the need to distinguish between institutional scholarships through TSU-generated funds and other forms of scholarships. Chair Cole discussed the need for the Board to understand that data, how scholarships are funded and when. President Glover added that the University is looking at the timeline of the scholarship process to make sure there is enhanced communication with students and a clearer process. A TSU internal scholarship committee was established. Chair Cole will be the chair of the internal scholarship committee. They are going to make sure that the Board is apprised of the amount of scholarship funding and source of funds, and they will ensure that the scholarships are posted to student accounts and communicated to students. Trustee B. Johnson asked that the Board be provided with detailed information regarding scholarship source funds.

Chair Cole informed President Glover of her responsibility to meet the objectives of the Board's Resolution and that she (President Glover) has the authority to organize and re-organize as necessary to do so.

Chair Cole noted that the as to item 6 of the Resolution, the word "scholarship" should be struck and a glossary of clearly defined terms should be included.

Chair Cole asked for a status update on the University's effort to hire a chief operating officer. President Glover advised that TSU considered the services of two search firms, and AGB Search is assisting the University with its search for a chief operating officer. She stated that the University is moving quickly with its search. The University desires to place this person quickly and not wait until the fall. Trustee McKenzie noted a desire to obtain a candidate with business operational experience and stated he would like the job description to be shared with the Board. President Glover said the job description was in progress and that she would send it to the Board. President Glover asked whether she could speak with Trustee Martin regarding the position, given her business expertise.

VP Allen stated that the University is going to hire an architect and engineer for its capital planning and construction needs. Interviews are already scheduled for these positions. This is part of TSU's planned process for parting from the TBR. A discussion was had regarding whether hiring for these two positions would sufficiently constitute a "Director of Construction Management" substitute. VP Allen added that he has spoken with Dick Tracy at the TBR about hiring an architect and engineer, and that Mr. Tracy indicated that doing so would "fit the bill." Chair Cole directed Secretary Pendleton to confirm with the TBR that hiring an architect and engineer is a sufficient substitute for a Director of Construction Management.

Trustee A. Johnson suggested that the University provide the Board with a status update on open and filled positions. Trustee B. Johnson requested that key leadership be presented to the Board. President Glover affirmed that this is the plan. Chair Cole asked that Trustee Martin be intricately involved in the interview process for certain key roles. President Glover asked for whole-Board involvement in hiring for the chief operating officer position.

A discussion ensued with respect to item 9 of the Board Resolution. Trustee A. Johnson suggested that a particular requirement be put in place requiring Board approval of budget differentials exceeding a certain amount. It was decided that it should be recommended that the Budget and Finance Committee approve any 10% change in base budgeted amounts. The Board Resolution text was updated to reflect: "The TSU Board of Trustees directs management to submit to the Finance and Budget Committee any change in specific financial and budget amounts, including scholarships, that exceeds +/-10% for approval." The Committee asked management to bring back additional information for them to consider alternative approval amounts for different line items based on a risk assessment. VP Allen suggested that they could provide a matrix.

For item 11, the Committee proposed directing Ms. Sharp to bring a report to the Board.

For item 12, additional language was added that "TSU management shall present a report at each meeting reflecting its completion of matters referred to in the Resolution."

Chair Cole stated that the Audit Committee has gone through the Comptroller's Report and reduced to a resolution the items that the Report asked the University to address. She stated that the Board takes seriously what has been asked of it, and it has addressed issues that are in the best interest of the University – most importantly, the students.

VI. REVIEW OF UNIVERSITY'S RISK ASSESSMENT PROCESS

Trustee Cole announced the next item on the agenda, the discussion of the risk assessment process. Secretary Pendleton stated that he spoke with former internal auditor, Director Davis. This item was addressed in Executive Session at the last meeting.

President Glover stated that there is a search underway for a director of internal audits. It is a key position for which the University is hiring. Chair Cole indicated that the Board should be actively involved in the selection of this individual.

Chair Cole asked if there were any questions. There were no other questions.

**VII. EXECUTIVE SESSION FOR DISCUSSION OF ITEMS DEEMED
CONFIDENTIAL UNDER STATE LAW**

Chair Cole moved for the Audit Committee to go into Executive Session to discuss items deemed confidential under State law. Trustee Pinnock seconded the motion, which carried unanimously by roll call vote. The committee then transitioned into the Executive Session.

VIII. ADJOURNMENT

There was no further discussion. The meeting adjourned.