

Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
November 20, 2025
Tennessee State University – The Farrell Westbrook Complex (the “Barn”)

MINUTES

Committee Members Present: Trustees Dimeta Smith Knight, Marquita Qualls and Charles Traugher. Other Trustees present: Dakasha Winton, Azana Bruce, Trevia Chatman, Jeffery Norfleet, Terica Smith, Leticia Towns, and Artenzia Young-Seigler

University Staff Present: President Dwayne Tucker; Ginette Garza Brown, Interim General Counsel and Board Secretary; Dr. Renee Forbes-Williams, Director of Internal Audit; Jim Grady, Alvarez & Marsal

I. CALL TO ORDER

Committee Chair Smith Knight called the meeting to order at 1:32 p.m.

II. ROLL CALL/DECLARATION OF A QUORUM

Committee Chair Smith Knight declared that all members were present, constituting a quorum. Secretary Board conducted the roll call. The following committee members were present: Trustees Dimeta Smith Knight, Marquita Qualls and Charles Traugher.

III. ADOPTION OF AGENDA

Trustee Traugher moved to adopt the agenda as presented. The motion was seconded by Trustee Qualls. The motion passed unanimously.

IV. APPROVAL OF SEPTEMBER 18, 2025, AUDIT COMMITTEE MEETING MINUTES

The minutes from the September 18, 2025, meeting of the Audit Committee were approved as submitted, with Trustee Traugher making the motion and Trustee Qualls seconding the motion. The motion passed unanimously.

V. REPORT ON INTERNAL AND EXTERNAL AUDIT ITEMS

Committee Chair Smith Knight introduced the first agenda item, the report on internal and external audit items, noting that the materials were provided for review in connection with the November 20, 2025, Committee meeting. She stated that this is an informational discussion item and that no Board action is required. Dr. Renée Forbes-Williams was invited to present on behalf of the Audit Committee.

Dr. Forbes-Williams provided an overview of the 2023 Financial and Compliance Audit Report of Action, which was issued by the Division of State Audit. The report included fifteen audit findings, and management submitted proposed corrective actions six months later. The Office of Internal Audit reviewed these actions to determine whether adequate corrective measures had been implemented.

Dr. Forbes-Williams summarized the status of the findings as follows:

- Finding 1: Management lacked appropriate oversight, resulting in breakdowns of internal controls. This finding remains uncorrected. Staffing shortages continue to impact oversight, though a new controller began on November 10, 2025, and a CFO is scheduled to start soon.
- Finding 2: Management did not perform timely bank reconciliations. This finding remains uncorrected; reconciliations contain discrepancies requiring attention.
- Finding 3: Errors in financial statements occurred due to control deficiencies. This finding remains uncorrected, in part due to difficulty in hiring qualified accounting personnel.
- Finding 4: Inadequate controls over ledgers, grants, and sub-ledgers, including reconciliations, remain uncorrected. Staffing shortages persist.
- Finding 5: Fees for certain courses were not charged in accordance with approved rates. Internal Audit was unable to verify compliance; this finding remains uncorrected.
- Finding 6: Student withdrawal dates and types were not adequately documented. Internal Audit could not verify compliance; the finding remains uncorrected.
- Finding 7: Collection procedures for accounts receivable were partially corrected. TSU enhanced collections and implemented its purge policy in the fall term.
- Finding 8: The TSU Foundation did not comply with investment allocation policies. No updates have been made; this finding remains uncorrected.
- Finding 9: Federal Higher Education Emergency Relief Fund guidelines were not fully followed. Policy improvements are in progress; the finding remains uncorrected.
- Findings 10–14: These relate to the Single Audit 2024 findings regarding Direct Loan reconciliations, Title IV refunds, and Pell Grant reporting. Most remain uncorrected, though improvements have been made, including revised policies, new staff appointments, and enhanced oversight procedures.
- Finding 15: Reserved for executive session discussion.

Dr. Forbes-Williams confirmed that corrective actions for the unresolved findings are being actively addressed. She noted that the State does not grant additional time for resolution; the next

audit, covering FY 2025, is scheduled to begin next month, and unresolved findings from the FY 2023 report will be included in that audit.

Committee Chair Smith Knight asked clarifying questions regarding the process for unresolved items. Dr. Forbes-Williams confirmed that any items not addressed in the six-month review will carry forward to the next audit cycle. No further questions were raised, and the Committee moved on to the next agenda item.

VI. INTERNAL AND EXTERNAL QUALITY ASSESSMENTS/GAP ASSESSMENT RESULTS

Committee Chair Smith Knight introduced the next agenda item, the internal and external quality assessments, noting that materials had been provided in the Committee's meeting packet. She invited Dr. Forbes-Williams to present on behalf of the Audit Committee.

Dr. Forbes-Williams reported that the gap assessment, conducted by the M&A Group, provides insights into existing gaps, improvement opportunities, and actions needed to ensure compliance with the Institute of Internal Auditors (IIA) Global Standards. Completed steps include updating the Audit Committee and Internal Audit charters and revising the Audit Department policies and procedures manual. Remaining actions include completing the strategic plan, educating the Board and key stakeholders, enhancing reporting, and formalizing the Quality Assurance Improvement Program.

She noted that the details of the assessment have been shared with the Audit Committee and the President, and the M&A Group is available to present the full report to the Board at its convenience. Trustees highlighted the importance of the assessment for governance and internal controls. Dr. Forbes-Williams confirmed that the last external assessment was in 2018 and that the current gap assessment supports readiness for the next external review. No additional questions were raised.

VII. REVIEW OF OUTSTANDING AUDIT ISSUES/AUDIT PLAN STATUS

Committee Chair Smith Knight introduced the next agenda item, the review of outstanding audit issues and the audit plan status, noting that materials had been provided for informational purposes and that no Board action was required. She invited Dr. Forbes-Williams to present on behalf of the Audit Committee.

Dr. Forbes-Williams provided an overview of the current status of audits and follow-ups. She noted that the NCAA Student Assistance Fund FY 2025 review has been completed, as has the FY 2024 Single Audit follow-up. The internal Quality Assurance Review (QAR) is in process, following the recently discussed gap assessment, which will help identify areas for strengthened internal controls.

She reported that the State Audit Financial Audit FY 2023 follow-up and the Triple-E Audit FY 2023 follow-up have been completed. The President's Expense Report FY 2025 is required but

not yet completed. Reviews of management's risk assessment, risk-based accounts payable internal controls, procurement internal controls, and travel internal controls are all in process.

Dr. Forbes-Williams also noted that conflict of interest forms have been collected, although they have not yet been reviewed. She concluded by summarizing that these items reflect the University's ongoing efforts to address internal controls and audit findings.

Committee Chair Smith Knight asked if there were any questions. Hearing none, she thanked Dr. Forbes-Williams and the Audit Committee for their continued work on these critical oversight activities.

VIII. ADJOURNMENT

Trustee Traugher moved to adjourn, with the motion seconded by Trustee Qualls. A voice vote was taken, with all Committee members present voting in favor of the motion. The meeting was adjourned.