

Tennessee State University
Board of Trustees



TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING AGENDA

10:00 a.m. CST
Thursday, June 18, 2020

Tennessee State University – Main Campus
McWherter Administration Building,
President’s Conference Room
3500 John A. Merritt Blvd. Nashville, TN 37209

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call/Declaration of a Quorum
- III. Approval of the March 12, 2020, Audit Committee Meeting Minutes
- IV. Annual Report on the Audit Office’s Audit Activities
- V. Discussion of the Audit Office’s Internal Quality Assessment
- VI. Approval of the Fiscal Year 2020-2021 Audit Plan
- VII. Report on State Audit Sunset Review Process

**Tennessee State University
Board of Trustees**



**Approval of the
March 12, 2020,
Audit Committee
Meeting Minutes**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: June 18, 2020

ITEM: Audit Committee Report - Approval of the March 12, 2020,
Audit Committee Meeting Minutes

RECOMMENDED ACTION: Approval

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The document reflecting the minutes from the March 12, 2020, Audit Committee meeting is included in the June 18, 2020, Board materials.

MOTION: To approve the minutes from the Board of Trustees' March 12, 2020, Audit Committee meeting, as contained in the Board materials for the Board's June 18, 2020, meeting.

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
March 12, 2020
Tennessee State University – Main Campus –
McWherter Administration Building, President's Conference Room
3500 John A. Merritt Blvd., Nashville, Tennessee 37209**

MINUTES

Committee Members Present: Trustees Deborah Cole, Obie McKenzie (by phone) and Richard Lewis

Other Board Members Present: Joseph W. Walker, III, Bill Freeman, Pam Martin, Andre Johnson, Dr. Ali Sekmen, and Braxton Simpson.

Board Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary.

University Staff Present: Dr. Alisa Mosley, Interim Vice President for Academic Affairs; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Assoc. Vice President of Student Affairs; Horace Chase, Vice President of Business and Finance; Dr. Frances Williams, Assoc. Vice President of Research & Sponsored Programs; and Terrence Izzard, Assoc. Vice President of Enrollment Management; Adrian Davis, Auditor.

I. CALL TO ORDER

Trustee Cole called the meeting to order at 10:02 a.m. on March 12, 2020.

II. ROLL CALL/DECLARATION OF A QUORUM

Trustee Cole asked the Board Secretary to call the roll. Board Secretary Pendleton called the roll. Trustees Deborah Cole, Richard Lewis, and Obie McKenzie (on phone). Trustee Cole noted that Trustee Lewis would be approved to be on the Committee later today at the full board meeting. She then made a finding of the necessity to conduct the meeting without a physically present quorum in accordance with Tennessee Code Annotated, Section 8-44-108 (b)(2) by noting the importance of board agenda items to be addressed and the inability of Trustee McKenzie to physically attend the meeting due to COVID-19 related travel issues. She moved to permit a quorum present by phone. Trustee McKenzie seconded the motion and the motion was approved. Trustee Cole then noted the presence of a quorum.

III. APPROVAL OF THE NOVEMBER 21, 2019, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to approve the minutes from the November 21, 2020, Audit committee meeting, as contained in the March 12, 2020, board materials. Trustee McKenzie seconded the motion, which carried.

IV. REPORT ON COMPLETED INTERNAL AUDITS REPORTS

Trustee Cole asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item. Ms. Davis explained the audit of undergraduate admissions contained in the board packet. The audit checked for compliance with institution and state policies. The audit produced a few findings. First, the audit reviewed the new first time freshman admission and found that TSU did not meet the requirement of only a 10% conditional admission requirement.

Trustee Cole asked whether TSU exceeded the requirement because 90% of first time freshmen met the 2.5 GPA. Ms. Davis provided clarification. Trustee Cole asked what needs to happen to fix this.

President Glover explained that TSU will be stricter in the future. President Glover had asked for this audit as a result of Howard “scandal.”

Ms. Davis discussed the other audit findings, including immunization reports. The audit discovered that the summer orientation allowed registration in bulk and overrode the requirement for immunization documentation. To address this issue, new management is now in place and aware of issue.

The audit also addressed the lack of supporting documentation for young student enrollment. Since the concerns arose, the processes have been automated and new organizational management is aware. Ms. Davis reported that going forward parental permissions should be attached to the student file.

Trustee Cole looks forward to an improved report in the fall of 2020. Trustee Cole asked if there were any questions or comments.

Trustee Davis then reported on the work study audit. She reported that the required timesheets were obtained for all students reviewed and that the required breaks were provided. However, there was a finding associated with allowing students to work during scheduled class hours and a few students were allowed to work in excess of the 20 hour work per week limit. In an effort to address these work study findings, financial aid has a new process to require supervisor training and failure to follow required procedures would prevent work study students in that department.

Trustee Cole asked whether this area is under new management. Ms. Davis reported that there is new organization in that area. These items will again be audited on next fall’s audit. Trustee Cole and then Trustee McKenzie asked for clarification that there were no findings of funds being improperly used. Ms. Davis provided that there were no findings of fund mismanagement.

President Glover reported that old management has been replaced. Mr. Izzard now oversees this area.

Chair Cole thanked President Glover and her team for the report.

V. REPORT ON OUTSTANDING AUDIT ISSUES

Trustee Cole asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item.

Ms. Davis reported on outstanding audit issues cited in internal or external audit findings. In the area of grant funds, the audit found that some financial reports were not submitted, and that certain time and effort certifications were not prepared.

Trustee Cole asked what steps would be used to correct this immediately. Ms. Davis has been presented with efforts to address these issues. Ms. Davis has obtained a corrective action plan and will follow-up at quarters end.

Trustee McKenzie asked whether the offending employees are receiving punitive measures. Ms. Davis explained there is an impact and it stops the grant process. Trustee McKenzie wants it to be strongly communicated to make it clear to staff.

Mr. Chase reports that two positions have been added to the area to support. Once those are in place, it will help. The Budget and Finance division lost 75% of financial staff and they are working on getting it all cleaned up.

Trustee Cole asked for clarification as to whether TSU was operating 75% under what was needed for accounting. Mr. Chase confirmed that is the case but reiterated that they are working on it.

Ms. Davis reported on bank reconciliation. There were laps of staff during the fall. The last completed reconciliation was from February 2017. Mr. Chase discussed the accounting area hires and explained that TSU has engaged with a CPA firm to help “close up,” but the firm reported to Mr. Chase that the preliminary review with TBR looked good.

Trustee Cole reiterated that next time this area is audited (last in 2/2017) that will lead to repeat finding. Mr. Chase said this is audit 2019 and there is an identified process that will help reconcile statements.

Trustee Cole asked Mr. Chase to provide the President with the exact date on when all will be caught up, and that it should not be into 2021. She stated she wants to measure where we are.

President Glover said that she will get it taken care of.

Trustee Lewis said there needs to be multiple checks, even on the checker. He is glad that the President has Ms. Davis, and he is concerned about the State finding same things. He reiterated that TSU needs to deal with this. Trustee Lewis also acknowledged Mr. Izzard with having a big responsibility. Finally, he stated that he looks forward to hearing from the President and Mr. Chase on what follow-up is to audit findings.

VI. REPORT ON UNIVERSITY'S RISK ASSESSMENT PROCESS

Trustee Cole asked President Glover to provide pertinent information related to this agenda item. The material is included in the March 12, 2020, Board Meeting packet.

Ms. Davis discussed the assessment on risk that is due annually on December 31st of each year. The audit reviewed risk assessment occurred during the executive committee meeting on November 21, 2019 and was submitted on December 12, 2019.

Secretary Pendleton explained that the risk assessment process is a part of State Audit's sunset audit.

Trustee McKenzie asked about coronavirus risk as part of the risk assessment process operation.

President Glover explained that TSU is operating under a heightened state of awareness. All classes will be on-line by Monday and international travel has been cancelled until April. President Glover agreed to have this added to the risk assessment.

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

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

VI. ADJOURNMENT

There was no further discussion. The meeting was adjourned.

**Tennessee State University
Board of Trustees**



**Annual Report on the Audit
Office's Audit Activities**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 18, 2020

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

Background Information:

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 2020.



DEPARTMENT OF INTERNAL AUDIT

Year-End Report on
Audit Activity for the
Year Ended June 30, 2020

Tennessee State University
Department of Internal Audit
Report on Annual Audit Activity
Fiscal Year Ending June 30, 2020

Rank	Type	Audit	Audit Status	Report Date
Required	AT	NCAA Student Assistance Fund FY 2019	Complete	08/15/19
Risk-Based	AX	Book Bundle Review	Complete	09/05/19
Risk-Based	AX	Book Bundle Review - Updated	Complete	11/01/19
Required	FM	President's Expenses FY 2019	Complete	10/28/19
Risk-Based	PP	Equipment Inventory Review	Complete	11/01/19
Follow-Up	SS	Federal Work-Study Timesheet Review	Complete	02/21/20
Mgmt Risk Assessment	FM	Review of Management's Risk Assessments	Complete	11/19/20
Risk-Based	IA	Admissions Fall 2019 - Undergraduate Students	Complete	02/06/20
Follow-Up	RS	RSP - Internal Audit Follow-up (BMP Grant)	Complete	03/11/20
Follow-Up	RS	RSP - Internal Audit Follow-up (STEM Grant)	Complete	03/11/20
Risk-Based	IA	Admissions Fall 2019 - Graduate Students	Complete	05/18/20
Required	IS	Internal Quality Assessment Review	Complete	05/10/20
Risk-Based	FM	Payment Card Industry Compliance	In Progress	-
Consultation	FM	Allowance Calculation Review	Forwarded	-

Functional Areas

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

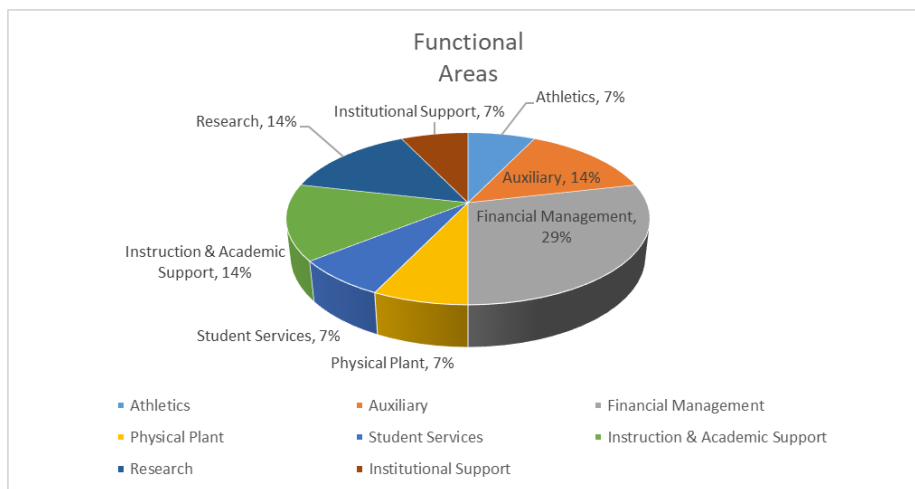
IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services



Audits Completed

Audit: NCAA Student Assistance Fund FY 2019

Issues: None noted

Audit: Book Bundle - Updated

Issues: None noted; Explanation provided for differences between amounts billed to students and the amount invoiced by the servicer for access to electronic course books for fiscal years 2017 and 2018

Audit: NCAA Student Assistance Fund FY 2019

Issues: None noted

Audit: President's Expenses FY 2019

Issues: None noted

Audit: Equipment Inventory Review

Issues: 1. For 22 of 50 items selected for physical inspection, the related custodian did not ensure that the location of the item was updated on the equipment listing
2. For 8 of 50 items selected for physical inspection, the related custodian did not ensure that the equipment listing correctly displayed the item's serial number

Audit: Admissions Fall 2019 - Undergraduate Students

Issues: 1. Management exceeded the 10% limit for conditionally admitted first-time freshmen students
2. Management did not ensure that supporting documentation (final high school transcript, test scores, etc.) was obtained for all enrolled students
3. Management did not ensure that required immunization support was obtained for all enrolled students
4. Management did not ensure that all exceptions to admission criteria were properly documented

Audit: Federal Work-Study Timesheet Review

Issues: 1. For the 14 of 27 students, we determined that the students performed FWS duties during scheduled class hours for at least one day during the months under review
2. For 17 of the 60 timesheets selected for review, the students worked more than 20 hours a week for at least one week while classes were in session.

Audits Completed (continued)

Audit: RSP - Internal Audit Follow-up (BMP Grant)

- Issues:** 1. Management was not timely in submitting required federal reports and financial and performance reports
2. Time and effort certifications were not prepared for all time charged to the grant during the budget period

Audit: RSP - Internal Audit Follow-up (STEM: Women and Children Grant)

- Issues:** 1. Time and effort certifications were not prepared for all time charged to the grant during the budget period

Audit: Admissions Fall 2019 - Graduate Students

- Issues:** 1. Management in the School of Graduate and Professional Studies should develop procedures that ensure that all required applicant data and supporting documentation (e.g., applications, final transcripts, official test scores, etc.) is obtained and retained for required periods.
2. Management in the Office of Student Health Services should ensure that required immunization or exemption from immunization documents are obtained for all newly enrolled full-time students. A hold should be placed on the account of applicable students until documentation is provided. If immunization documentation is not received from the student by the final drop/add date, the university should ensure that the student is purged from enrollment.

Audit: Internal Quality Assessment Review

- Issues:** None noted

Prior Year(s) Outstanding Issue(s)

Audit: Division of State Audit, Financial & Compliance Audit of Tennessee State University for the Year Ended June 30, 2017

- Issues:** 1. TSU and TSU Foundation's accounting records show \$246,000 more cash on hand than shown on the bank statements; this variance is unexplained
2. As noted in the prior three audits, Tennessee State University did not provide adequate internal controls in one area



DEPARTMENT OF INTERNAL AUDIT

Audit of
Graduate Admissions
for
Fall 2019 Semester

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May 18, 2020

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 the university's adherence to state and institutional student admission policies and procedures. Our scope included newly admitted and readmitted graduate students during the fall 2019 semester. The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

The results of our review are included in the attached report.

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

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. Alisa L. Mosley, Interim Vice President for Academic Affairs

Tennessee State University
Department of Internal Audit
Audit of Admissions Fall 2019
Executive Summary

Key Area	Graduate-Level Student Admission	Internal Auditor	Adrian R. Davis, CPA, CGFM Director of Internal Audit
Introduction	Attracting and attaining qualified students is an essential element of effective recruitment and admissions and university success. <i>Tennessee State University's School of Graduate & Professional Studies</i> is “where education is designed to offer students the experience of advanced study and research in their fields of specialization.” Graduate school programs are academic courses of study that offer more advanced programs of study (beyond a bachelor's degree) in certain disciplines. Professional school programs help prepare students for careers in specific fields. In 2019, the “college admissions scandal” drew national attention as the nation became aware of a conspiracy to influence undergraduate admissions decisions at several top American universities. This scandal has prompted universities to be more transparent about their admissions process. University management ensures confidence in its admissions process by adhering to its admission policies, rules, regulations, and procedures.		
Objective	The objective of the audit was to determine if the university was in compliance with state and institutional policies and procedures related to student enrollment		
Scope	Enrolled graduate-level students (newly admitted and readmitted) during the fall 2019 semester		
Audit Finding Ranking	Audit findings are rated as high, medium, or low depending on auditor judgment. Some of the factors included 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 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.		
Audit Findings	Our testing of various samples of newly admitted and readmitted graduate-level students enrolled during the fall 2019 semester determined that: <ol style="list-style-type: none"> 1. The university did not always obtain and/or retain required supporting documentation (e.g final undergraduate transcripts, student applications, official test scores, etc) to support admission decisions [High] 2. The university did not always obtain required immunization records for applicable newly admitted and readmitted students registered for full-time enrollment during the fall 2019 semester [High] 		
Conclusion	The objective of our audit was met. It was determined that the university was in compliance with applicable state and university policies related to student enrollment, except for the findings included in this report.		
Restriction on Use of Report	<i>This report is intended solely for the internal use of Tennessee State University (TSU) 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.</i>		

Introduction

A graduate school is a school that awards advanced academic degrees (e.g., master's and doctoral degrees) with the general requirement that students must have earned a previous undergraduate degree. *Tennessee State University's School of Graduate & Professional Studies* is “where education is designed to offer students the experience of advanced study and research in their fields of specialization.”

GOALS OF THE SCHOOL OF GRADUATE AND PROFESSIONAL STUDIES

1. To maintain high standards of instruction in graduate education, continuing education, and in the curricula and fields of specialization through which degree programs are offered;
2. To foster the continuation of faculty and student involvement in research which advances knowledge in the areas concerned;
3. To continue expanding its role as a public servant and leader of the citizens of the State by disseminating knowledge and providing a broad variety of educational and technical services;
4. To provide advanced degree programs and services especially tailored to the need and convenience of graduate students of all ages, including working adults of the corporate and industrial communities in the mid-state area; and,
5. To provide an atmosphere that will enhance the emotional, educational, cultural, social, and recreational growth of the total University community.

Application

All students desiring to enroll for graduate study at the university must apply through the *Office of the Dean of Graduate Studies and Research*. The university utilizes *Liaison Centralized Application Service (CAS)* to process student applications. CAS is a cloud-based recruiting and admissions solution for higher education institutions/programs. Prospective students and university faculty and staff can upload and view supporting documents related to the student's application for admission and view the status of each student application in real-time. There are 9 individual CAS systems used by the university (e.g., BusinessCAS, GRADCAS, NursingCAS, etc.) that are based on related graduate discipline.

Admission and Enrollment Requirements

- The *Tennessee State University Graduate Catalog* includes the admission requirements for graduate-level academic programs at the university. Required documentation include an application for admission, official test scores (GRE, GMAT, etc.), official transcripts, personal statements, etc.
- The Tennessee Department of Health is responsible for immunization requirements for those who attend child care, pre-school, school and college. Tennessee Department of Health Rule 1200-14-01.29, *Communicable and Environmental Diseases*, requires all new full-time enrollees (defined as a minimum of 9 credit hours at the graduate level) who are not full-time online learning students (taking 100% of courses online) at an institution with an enrollment greater than two-hundred to provide proof of adequate immunization against certain diseases. Documentation must contain proof of 2 Measles, Mumps, and Rubella (MMR) and 2

Varicella (chicken pox) immunizations or proof of immunity. Students may be enrolled or registered after a single dose of all required vaccines provided that the second dose is obtained within 2 months of registration, and at least 28 days after the first dose, and provided, further, that the institution has a procedure for identifying students who have failed to obtain the necessary immunizations and for taking appropriate action to ensure compliance. Students enrolled in a public Tennessee institution for the first time and under 22 years of age residing in on-campus housing must receive at a minimum of 1 dose of the meningitis vaccine, given at 16 years of age or greater.

Audit Findings

Fall 2019 Student Head Count

We obtained a listing of the 8,081 students included in the university's headcount for the fall 2019 semester, as of the census date. This total included 5,877 undergraduate students and 2,204 graduate students. A breakdown of the graduate student population for the fall 2019 semester is included below.

Graduate Students Fall 2019

Student Type	Total
Continuing	944
First Time Grad/Prof Readmit	13
First Time Grad/Prof Continuing	2
New Inst/ First Time Grad/Prof	276
New Special/Non-Degree	876
Readmitted	93
Undergraduate Student Total	2,204

We selected samples for testing from the new/first-time and readmitted student populations.

Students are oftentimes completing their final semester(s) of an undergraduate education at the time of admission. To qualify as a graduate student, the student must have been awarded a prior undergraduate degree. The final undergraduate transcript, which details the awarding of an undergraduate degree, is required supporting documentation needed to support the student's classification as a graduate student. For this reason, the final undergraduate transcript supporting graduate status should be obtained by the university soon after the degree is earned, but no later than the drop/add date of the first enrolled semester. In addition, official test scores and other documents required for admission are due at the time of admission or prior to the end of the first semester of enrollment, in accordance with individual program requirements. Management indicated that extensions for providing final undergraduate transcripts and official test scores were provided due to the COVID-19 pandemic. As all items for students in our sample were due at the time of application or no later than the conclusion of the fall 2019 semester, a pandemic that was not identified until 2020 was determined to not be a valid reason for providing an extension to provide these required items.

New Inst/ First-Time Graduate/Professional Students

1. For 26 of 50 students (52%) selected for testing, it was determined that the university did not obtain all required supporting documentation to support the admissions decision.
 - For 10 of these 26 students, the university did not obtain copies of the student's final undergraduate transcript, which supports the student being awarded an undergraduate degree and classification as a graduate student

- 4 of these 10 students are TSU graduates, who are also required to submit official transcripts. University management indicated that undergraduate degree verification was made by viewing the student's records in the Banner information system. There was no audit trail to support this verification. In addition, this method of verification does not agree with university policy.
- For 12 of these 26 students, the university did not obtain official test scores (e.g., GRE, GMAT) at the time of application submission or prior to the end of the fall 2019 semester, as required.
 - For 1 of these 12 students, other required information (required letters of recommendation) was also not obtained
 - For 1 of these 12 students, the student was also determined to have a 2.40 GPA for a program of study requiring a minimum 2.75 GPA
- For 1 of these 26 students, the university did not obtain copies of the student's final undergraduate transcript or official test scores
- For 3 of these 26 students, the university did not use an official transcript (in-progress or final) to determine the student's eligibility for admission
 - For 1 of these 3 students, the university also did not obtain copies of the final undergraduate transcript for the Tennessee State University students
 - For 2 of these 3 students, the university also did not obtain copies of the student's official test scores

2. State law requires new and readmitted full-time students and those living in student housing to provide proof of certain immunizations or acceptable proof of exemption from receiving the immunization(s). It was determined that the university did not obtain immunization support for 10 of the 40 students (25%) included in our sample who were required to submit the documentation.

New Special/Non-Degree

1. For 10 of 25 students (40%) selected for testing, the university did not provide copies of the application of admission submitted by the related students. University policy requires applications for admissions for enrolled students be retained for a minimum of 5 years.
2. For 4 of the 15 students (27%) for whom the university provided copies of the related student application, the university did not obtain the student's final undergraduate transcript, supporting the student's status as a graduate student.

Re-admitted Students

1. For 6 of 25 students (24%) selected for testing, the university did not provide copies of the application of admission submitted by the related students.
Readmitted students are required to submit official transcripts from colleges/universities attended during their time away from TSU. Because there were no applications provided, we were unable to determine if the students attended other colleges/universities during their time away from the university and were thus required to submit related transcripts.

Audit Recommendation 1:

Management in the School of Graduate and Professional Studies should develop procedures that ensure that all required applicant data and supporting documentation (e.g., applications, final transcripts, official test scores, etc.) is obtained and retained for required periods.

Management's Response:

In order to ensure that the issues documented in this report do not occur in the future, the Office of Graduate and Professional Studies will immediately implement the following procedures:

- To ensure that the prospective student's final transcript is obtained, the Admission Letter sent to the applicable student will contain the following statement:

IMPORTANT NOTE: Your student account will have a HOLD entered the day after *Late Registration -Schedule Adjustment - Drop/Add* ends for the first semester that you are enrolling in courses. Open the link to the Academic Calendar http://www.tnstate.edu/academic_programs/academic_calendar.aspx to see the specific date. Your transcript is OFFICIAL only when the Name of the degree, Date the degree was conferred, and the Seal of the institution has been received in __CAS. It is your responsibility to obtain an OFFICIAL transcript uploaded into the __CAS. Failure to meet this condition before the deadline for entering the HOLD results in you not being able to register for, and take, courses for the next semester.

- To ensure that the prospective student's (International and US applicants) official test scores (GRE/GMAT/MAT) are obtained, the Admission Letter sent to the applicable student will contain the following statement:

IMPORTANT NOTE: You have the entire first semester to take the required test and submit a qualifying score. Your student account will have a HOLD entered the last day of the semester. Open the link to the Academic Calendar http://www.tnstate.edu/academic_programs/academic_calendar.aspx to see the specific date. Your test score results are OFFICIAL only when the testing agency has uploaded the results in __CAS. It is your responsibility to request the OFFICIAL test results be uploaded into the __CAS. Failure to meet this condition before the deadline for entering the HOLD results in you not being able to register for, and take, courses for the next semester. In addition, a special note will also be included on the admission letter to state, "the Graduate School will work with the program coordinator to extend the required test score a second semester but only due to hardship beyond the student's control."

- When TSU alumni and/or TSU readmitted students return to take a single course or to re-enter a degree or certificate program, the Graduate School will verify the TSU Alumni earned his/her degree and add a comment in the Banner system to that effect. For TSU readmitted students, the Graduate School will verify the TSU student has an official transcript on file, in the Banner Document Management System (BDMS) or the related CAS system, for any

colleges/universities attended since their time away from the university, and add a comment in the Banner system to that effect.

- The Graduate School plans to ensure applications are maintained on file for the requisite amount of time of five years. The enhanced plan includes the 'Axiom' crosswalk from the CASs to Banner to maintain the applications and all associated documentation.

Audit Recommendation 2:

Management at the university did not ensure that required immunization, or exemption from immunization, documentation was obtained for all newly admitted full-time students. Several students were allowed to register and remain enrolled in courses, although, required immunization (or exemption) documentation was not received. Management at the university should develop procedures to ensure that students not providing required immunization documentation are purged by the university's final drop/add date. However, state law does allow students to remain enrolled at the university after having the first of two doses of required vaccinations if certain criteria are met by the university.

Management's Response:

The Banner System is designed to automatically place a HOLD on a student's account according to birthdate criteria and designation of course delivery (online vs. on-ground). The Graduate School and the TSU Health Services Office will work together to develop procedures that will ensure appropriate HOLDS remain on students accounts, preventing applicable students from registering for courses until required vaccination documentation has been provided. Students will be purged by the end of the Drop/Add semester date of attendance for noncompliance.

Tennessee State University
Board of Trustees



**Discussion of the Audit
Office's Internal Quality
Assessment**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: June 18, 2020

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 results of the Office of Internal Audit’s internal quality assessment will be discussed.



Internal Quality Assessment Review
May 2020



May 10, 2020

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

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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 <i>International Standards for the Professional Practice of Internal Auditing</i> ”	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 <i>International Standards for the Professional Practice of Internal Auditing</i> ”	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



**Approval of the
Fiscal Year 2020-2021
Audit Plan**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: June 18, 2020

ITEM: Audit Committee Report – Approval of Fiscal Year 2020-2021 Audit Plan

RECOMMENDED ACTION: Approval

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

Background Information:

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, 2021. 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 2020-2021.

Item Details: See attachment.

MOTION: To approve the Fiscal Year 2020-2021 Audit Plan, as contained in the Board materials for the Board's June 18, 2020, meeting.

**Tennessee State University
Internal Audit Plan
Fiscal Year Ending June 30, 2021**

Rank	Type	Area	Audit	Budget (Hours)	Estimated Start Date	Estimated Completion Date
Risk-Based	A	IT	Payment Card Industry Compliance (carry-forward)	75	April 2019	July 2019
Required	R	AT	NCAA Student Assistance Fund FY 2020	115	June 2019	August 2019
Risk-Based	A	FM	CARES Act Funding Review	150	June 2019	August 2019
Risk-Based	A	AX	Human Resources Audit	275	July 2019	September 2019
Required	R	FM	Internal Audit Findings Follow-Ups	200	August 2019	December 2019
Follow-up Review	F	FM	State Audit Follow-up for FY 2018	75	July 2019	October 2019
Required	R	FM	President's Expenses FY 2020	125	September 2019	October 2019
Consultation	C	FM	University Lease Analysis	75	September 2019	October 2019
Risk-Based	A	IT	Foundation Donations Audit	250	October 2019	December 2019
Risk Assessment	M	FM	Review Management's Risk Assessments	50	November 2019	November 2019
Risk-Based	A	IA	Distance Education Audit	175	October 2019	February 2020
Investigation	I	IS	Unscheduled Audits/Projects/Investigations	300	TBD	
Consultation	C	IS	Unscheduled Consultation	50	TBD	
Required	R	IS	Review of Conflict of Interest Forms	75	January 2020	March 2020
Risk-Based	A	AT	Residential Halls Audit	275	February 2020	April 2020
Follow-up Review	F	FM	State Audit Follow-up for FY 2019	100	March 2020	May 2020
Consultation	C	FM	Allowance Calculation Review	75	April 2020	May 2020
Risk-Based	A	IT	FERPA Compliance Review	150	March 2020	May 2020
Required	R	FM	Cash Counts	10	June 2020	June 2020
			Total	2525		

Estimate-Hours Available For Audits = 2525 hours

<p>Audit Types:</p> <p>R - Required</p> <p>A - Risk-Based (Assessed)</p> <p>S - Special Request</p> <p>I - Investigation</p> <p>M - Management's Risk Assessment</p> <p>C - Consultation</p> <p>F - Follow-up Review</p>	<p>Functional Areas:</p> <p>AD - Advancement</p> <p>AT - Athletics</p> <p>AX - Auxiliary</p> <p>FM - Financial Management</p> <p>IA - Instruction & Academic Support</p> <p>IS - Institutional Support</p> <p>IT - Information Technology</p> <p>PP - Physical Plant</p> <p>RS - Research</p> <p>SS - Student Services</p>
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