

**Tennessee State University  
Board of Trustees**



**TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES  
AUDIT COMMITTEE MEETING AGENDA**

10:00 a.m. CST  
Thursday, March 12, 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 November 21, 2019, Audit Committee Meeting Minutes
- IV. Report on Completed Internal Audit Reports
- V. Report on Outstanding Audit Issues
- VI. Report on University’s Risk Assessment Process
- VII. Executive Session -Discussion of Items Deemed Confidential Under State Law

**Tennessee State University  
Board of Trustees**



**Approval of the  
November 21, 2019,  
Audit Committee  
Meeting Minutes**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: March 12, 2020

ITEM: Audit Committee Report - Approval of the November 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 November 21, 2019, Audit Committee meeting is included in the March 12, 2020, Board materials.

**MOTION: To approve the minutes from the Board of Trustees' November 21, 2019, Audit Committee meeting, as contained in the Board materials for the Board's March 12, 2020, meeting.**

**Meeting of the Tennessee State University Board of Trustees  
Audit Committee Meeting  
November 21, 2019  
Tennessee State University – Main Campus –  
McWherter Administration Building, President’s Conference Room  
3500 John A. Merritt Blvd., Nashville, Tennessee 37209**

**MINUTES**

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

**Other Board Members Present:** Dr. Joseph Walker, III, Pam Martin, Dr. Ali Sekmen, Braxton Simpson, Mr. Bill Freeman, Dr. Richard Lewis 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.

**I. CALL TO ORDER**

Trustee Cole called the meeting to order at 10:25 a.m. on November 21, 2019.

**II. ROLL CALL/DECLARATION OF A QUORUM**

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

**III. APPROVAL OF THE SEPTEMBER 26, 2019, AUDIT COMMITTEE MEETING MINUTES**

Trustee Cole moved to approve the minutes from the September 26, 2019, Audit committee meeting, as contained in the November 21, 2019, board materials. Trustee Mitchell seconded the motion, which carried unanimously.

**IV. REVIEW OF AUDIT COMPLETED INTERNAL AUDITS**

Trustee Cole asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item. Ms. Davis proceeded to explain to the Board that results of the completed Audit.

Director Davis reviewed the Book Bundle summary with the Committee and pointed out that \$40,000 of the variance amount previously listed was due, in part, to University waivers relative to lab books.

Director Davis stated that there were no unusual or negative findings when reviewing the President's expense schedules for fiscal year July 1, 2018 to June 30, 2019.

Trustee Cole requested that Director Davis provide an updated report on the outstanding items which were listed on the Inventory Confirmation. She asked that this be presented at the next meeting of the Board.

Trustee Cole commented that it was unacceptable that the Bank Reconciliation had been out of balance for as long as it had been. Director Davis then revealed that the Accounting area was not fully staffed and that VP Chase was bringing in outside assistance. Trustee Cole recommended that the position be filled as soon as possible.

A discussed continued relevant to untimely reporting and the effects of same on the University and its students. Trustee Cole was adamant that the Committee needed to confirm the present position with the University and continue tracking its timeliness for next semester. Trustee Mitchell stated that the Foundation Board had asked for a meeting with the Board of Trustees. President Glover added that the Foundation Board was seeking to foster a closer relationship with the Board of Trustees.

After a short discussion, Chair Cole thanked President Glover and her team for the report.

**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. Trustee Mitchell seconded the motion, which was carried unanimously. The committee then transitioned into the executive session.

**VI. ADJOURNMENT**

There was no further discussion. Trustee Cole moved to adjourn the meeting. Trustee Mitchell seconded the motion, which carried unanimously and the meeting was adjourned at 11:25.

**Tennessee State University  
Board of Trustees**



**Report on Completed  
Internal Audit Reports**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

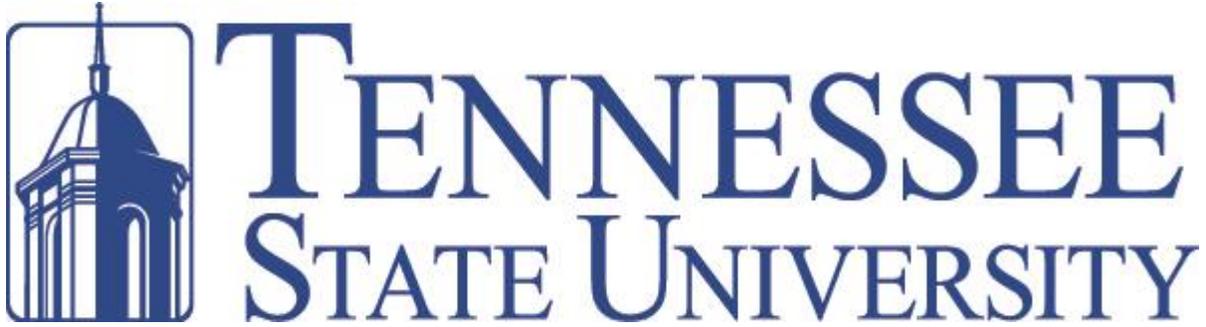
DATE: March 12, 2020

ITEM: Audit Committee Report – Report on Completed Internal Audit Reports

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The completed internal audit reports are included in the March 12, 2020, Board materials.



DEPARTMENT OF INTERNAL AUDIT

Audit of  
Undergraduate Admissions  
for  
Fall 2019 Semester

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February 26, 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 undergraduate 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  
Mr. Terrence Izzard, Associate Vice President of Admissions and Recruitment  
Dr. John Cade, Vice President, Division of Enrollment Management and Student Success

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

<b>Key Area</b>	Enrollment Management and Student Success	<b>Internal Auditor</b>	Adrian R. Davis, <i>CPA, CGFM</i> Director of Internal Audit
<b>Introduction</b>	The Department of Admissions and Recruitment is one of the departments in the university’s Division of Enrollment Management and Student Success. Attracting and attaining qualified students is an essential element of effective recruitment and admissions and university success. The Department of Admissions’ primary functions is the processing of prospective student admissions applications and obtaining supporting documentation to support the admissions decisions made. 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.		
<b>Objective</b>	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		
<b>Scope</b>	Undergraduate students (newly admitted and readmitted) during the fall 2019 semester		
<b>Audit Finding Ranking</b>	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.		
<b>Findings</b>	<p>Our testing of various samples of newly admitted and readmitted undergraduate students enrolled during the fall 2019 semester determined that:</p> <ol style="list-style-type: none"> <li>1. University policy allows for the admission of conditionally admitted (students not meeting all admissions requirements) first-time freshmen students. The number of these students is not to exceed 10% of the first-time freshmen students admitted during a given semester. During the fall 2019 semester, management accepted 21.5% of conditional admits, exceeding the 10% limit by 11.5%. <b>[High]</b></li> <li>2. Management in the Division of Enrollment Management and Student Success did not ensure that proper supporting documentation (final transcripts after high school graduation, test scores, etc). was obtained for all enrolled students. <b>[High]</b></li> <li>3. Management in the Division of Enrollment Management and Student Success did not ensure that admission policies addressed exceptions to admission requirements for all categories of students (e.g. Dual Enrollment and Readmitted students). <b>[High]</b></li> <li>4. Management did not ensure adherence to the state laws requiring newly admitted and readmitted full-time students and those who reside in student</li> </ol>		

	housing to provide valid proof of certain immunizations, or valid support for exemption, prior to residing in student housing or being enrolled full-time in a Tennessee higher education institution. <b>[High]</b>
<b>Conclusion</b>	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.
<b>Restriction on Use of Report</b>	<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**

The Department of Admissions and Recruitment is one of the departments in the university's Division of Enrollment Management and Student Success. The mission of the Division of Enrollment Management and Student Success is to maximize the University's capacity to recruit, retain, and graduate students; and provide services and experiences that promote student success by integrating the out-of-classroom experience with the student's needs, expectations, goals, growth, and development.

### ***Application***

Prospective students complete an application for admission via paper application or online. The Admissions Associates then ensure that proper supporting documentation is received such as unofficial and official high school transcripts, college transcripts (for transferring students), and ACT or SAT scores. The information is scanned into the Banner Document Management System (BDMS). After a review of all supporting documentation, decision letters (acceptance/denial) are sent to the prospective students.

### ***Conflict of Interests***

We obtained signed statements from all employees employed in the Office of Admissions as of January 6, 2020, where the employees certified that they recused themselves from reviewing any applications submitted by applicants with whom they were acquainted during the fall 2019 semester.

### ***Admissions and Enrollment Requirements***

University admission requirements for undergraduate students include a minimum grade point average (GPA) and minimum test score (ACT or SAT). GED recipients must obtain a passing score in all tested areas. Readmitted and transfer students need a grade point average equal to the university's retention standards based on the number of attempted credit hours at all colleges.

Tennessee Code Annotated 49-7-110(a), *Curriculum – American history*, states:

“No person shall be granted a baccalaureate degree of any kind from any institution of higher learning supported or maintained by the state, or from any community college supported or maintained by the state, unless the person has earned credit in American history, consisting of six (6) semester hours or nine (9) quarter hours. Persons who pursue baccalaureate degrees in those areas of study exempted either by regulation of the board of regents or by regulations or delegated authority of the board of trustees of the University of Tennessee, are not required to meet the requirements of this section if they have successfully completed a course in American history in high school.”

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 (minimum of 12 credit hours) 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.

### ***Student-athletes***

*Initial Eligibility* - Initial Eligibility is the first time a student-athlete is certified as eligible to compete for a Division I or Division II collegiate team. Prospective student-athletes who would like to participate in Division I or II athletics must register with the NCAA Eligibility Center and meet academic requirements while still in high school.

We obtained squad lists for all university sports for the fall 2019 semester. The squad lists included 269 student-athletes. Of these 269 student-athletes, 67 of these students were determined to be first-time freshmen. We obtained the NCAA Prospective Student-Athlete Details Report for each of these 67 students. Review of the NCAA report for these 67 students revealed:

- 58 of the 67 student-athletes were *Final Qualifiers*. Final Qualifiers are academically eligible to practice, compete and receive an athletics scholarship during the first year of full-time college enrollment.
- 6 of the 67 student-athletes had their *automatic waiver approved*. Automatic Waiver Approved status qualifies the student-athlete to be immediately eligible to receive an athletics scholarship, and practice and compete with their team during the first year of full-time college enrollment.
- 1 of the 67 student-athletes was listed as a *Final Nonqualifier*. As a Final Nonqualifier, student-athletes may not practice or compete with the team or receive an athletics scholarship during your first year of full-time college enrollment. We did not see any evidence that the student competed with the team during the fall semester. We also verified that the student did not receive an athletics scholarship.
- 2 of the 67 student-athletes were listed as *Final Academic Redshirt*. These student-athletes may practice with the team during the first semester of full-time college enrollment and receive an athletics scholarship but you may not compete during the first year of full-time college enrollment. We did not see any evidence that the two students competed with the team during the fall 2019 semester.

## 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 undergraduate student population for the fall 2019 semester is included below.

### *Undergraduates Fall 2019*

<b>Student Type</b>	<b>Total</b>
Continuing	3,475
Dual Enrollment	178
New First Time Freshmen	1,268
New Transfer	504
New Transient	7
New Special/Non-Degree	82
Readmitted	363
<b>Undergraduate Student Total</b>	<b>5,877</b>

We selected samples for testing from the new first-time freshmen, dual enrollment, readmitted and new transfer categories.

### **New First-Time Freshmen**

*A first-time freshman is a student who has earned no college credit following high school graduation.*

1. The university's policy states that 10% of the total number of first-time freshmen admitted in any given term can be conditionally admitted. Conditionally admitted students are those students that have completed all required high school units but did not meet the university's minimum grade point average (2.50) and/or minimum test score requirement (ACT 19/SAT 900). We identified 4,711 approved applications for prospective first-time freshmen. The total number of conditional admits should have been 471 students according to university policy. It was determined that 1,016 (or 21.5%) of the accepted students did not meet the university's admission requirements. The university exceeded the allowed acceptance limit for conditional admits by 545 students (or 11.5%). The average grade point average for the 1,016 students was determined to be 2.52.
  - 41 of the 1,016 students did not meet the university's GPA requirement
  - 910 of the 1,016 students did not meet the university's score requirement
  - 65 of the 1,016 students did not meet either requirement (GPA or score)

\*The university implemented a new policy during the fall 2019 semester granting automatic admission to students with a GPA of 3.2 or higher. We excluded those students who did not meet the university's score requirements but held a 3.2 GPA or higher from the 1,016 total above.

2. We obtained the listing of 1,268 first-time freshmen students that attended the university during the fall 2019 semester. From this listing, we selected a sample of 40 students for review to determine if the university obtained the required documentation to support the student's acceptance and enrollment.

- A. It was determined that the university did not obtain the official transcript after high school graduation for 5 of the 40 students (12.5%) selected for testing
3. 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).
  - A. It was determined that the university did not obtain immunization support for 6 of the 40 students (15%) selected for testing.

### **Dual enrollment**

*The Dual Enrollment program allows enrolled high school juniors and seniors to complete entry-level college courses and have the credit hours count for both high school and college credit.*

1. We obtained the listing of 178 students enrolled as dual enrollment students during the fall 2019 semester. We selected a sample of 40 students for review to determine if the university obtained the required documentation to support the student's acceptance and enrollment.
  - A. For 32 of the 40 students who were under the age of 18, we were not provided with supporting documentation to show that the university obtained supporting documentation of parental permission for the student to participate in the program.
  - B. For 2 of the 40 students (5%) selected for testing, it was determined that the students did not meet the minimum grade point average required for participation in the program. The two students' GPA was 1.82 and 1.83.
  - C. Participants are required to take the ACT or SAT test in order to participate in the program. For 11 of the 40 students (27.5%) selected for testing, it was determined that the university did not obtain proof that the students took either of the required tests.

### **Re-admitted Students**

*Re-admitted students include students that voluntarily leave the university and do not enroll for courses during one or more regular semester. Some of these former students attend other schools during the time prior to applying for re-admission to the university.*

1. We obtained the listing of 363 students that were re-admitted to the university during the fall 2019 semester. We selected a sample of 25 students for review to determine if the student met the applicable criteria for re-admittance.
  - A. For 1 of 25 students (4%) selected for testing, it was determined that the student did not meet the minimum grade point average required for admission for the number of credit hours attempted.

### **Audit Recommendation 1:**

Management in the Division of Enrollment Management and Success should:

- a. Develop procedures that help to ensure all personnel involved in the review and approval/denial of prospective student applications are obtaining required supporting documentation to support the decision;
- b. Ensure that admission exception thresholds are not exceeded, unless allowable per policy; and

- c. Ensure that criteria for any exceptions to the admissions policies are transparent and documented

**Management’s Response:**

Many of the issues cited in this report were the result of inefficient admissions processing personnel, poor supervision of daily operations under the former Director of Admissions, coupled with several technical challenges with our Banner Document Management System (BDMS). To address the issues noted in this report:

- We have hired new management, and admissions processing personnel. Inefficient personnel in this area were relieved of their duties.
- The Office of Admissions has automated document management services for incoming supporting documents allowing them to be directly attached to the student record. This eliminates the previous manual practice of scanning and indexing.
- We have implemented a new “Quality Assurance” check process policy to prevent recurrence of several of the issues noted above
- For the students identified as not having an official final transcript on file, we have placed a hold on each student's account and have requested a copy of the final high school transcripts.

An exception to the ACT/SAT score requirement was given to dual enrollment students on the basis of their high GPA scores and pending schedules to take the ACT exam.

**Audit Recommendation 2:**

Per discussion with previous management personnel in charge of *First-Year Students* during the fall 2019 semester, the six students determined not to have provided health records were registered to attend a 2019 New Student Orientation summer session. They were registered for courses through a process called block scheduling prior to their New Student Orientation session. Block scheduling allows the university to mass register large amounts of students who attend the New Student Orientation sessions while ensuring they are registered for 15+ credit hours in the first semester to support student progression. The process also allows staff to override immunization requirements. Students attending the session are asked to complete the Fall 2019 Registration Agreement Form where they (and their guardian, if applicable) acknowledge that although they are registered for courses, required documentation (health records, final transcripts, etc.) is still due for submission by August 1<sup>st</sup> to maintain registration throughout the upcoming semester.

Current management of *First-Year Students* should ensure that they communicate with the university’s Office of Student Health Services (responsible for collecting the forms) to ensure that these block scheduled students have a hold placed on their account until the appropriate health forms are obtained. The students should also be included in purge lists when required information is not provided.



DEPARTMENT OF INTERNAL AUDIT

Follow-up Review of  
Federal Work-Study Timesheets  
Fall 2019



February 21, 2020  
Dr. Glenda Baskin Glover, President  
Tennessee State University  
3500 John A. Merritt Boulevard  
Nashville, TN 37209

Dear Dr. Glover:

We completed our review of a sample of timesheets submitted by students participating in the Federal Work-Study (FWS) program during the fall 2019 semester. The purpose of our review was to determine the status of management's implementation of the corrective action plan provided in response to our previous review of FWS expenses.

Our findings are included in the attached report.

Sincerely,

*Adrian R. Davis*

Adrian R. Davis, *CPA, CGFM*  
Director of Internal Audit

Attachment

Dr. Glenda Glover, President  
Tennessee State University

Dr. John Cade, Vice President for Enrollment  
Tennessee State University

**Tennessee State University  
Follow-up of Review of  
Federal Work-Study Timesheets  
Fall 2019 Semester**

<b>Key Staff:</b> All university departments; Office of Financial Aid; Office of Payroll	<b>Auditor:</b> Adrian R. Davis, CPA, CGFM Director of Internal Audit
<p><b>Introduction:</b> The Federal Work-Study (FWS) Program is a federally-funded program that provides funds for part-time employment to help undergraduate and graduate students who have a financial need to finance the costs of postsecondary education. In order to qualify to receive FWS funds, students must file a <i>Free Application for Federal Student Aid (FAFSA)</i>. <i>Title 34, Code of Federal Regulations, Part 675</i> governs the FWS Program. The university's policies for the FWS Program are written and presented in the university's <i>Supervisor's Manual</i>.</p>	
<p><b>Objectives:</b></p> <ol style="list-style-type: none"> <li>1) Determine if payments made to students participating in the federal work-study program are supported by properly approved timesheets</li> <li>2) Determine if students participating in the federal work-study program are prevented from working during scheduled class times</li> <li>3) Determine if students participating in the federal work-study program are not working more than 20 hours during weeks that classes are in session</li> <li>4) Determine if students participating in the federal work-study program are allowed at least a 30-minute break when working more than six hours</li> </ol>	
<p><b>Scope:</b> Federal Work-Study wage payments made during the fall 2019 semester</p>	
<b>Total Fall 2019 Payments:</b> \$299,331.04	<b>Questioned Costs:</b> \$0.00
<p><b>Current Audit Results:</b> The audit objectives were achieved. It was determined that:</p> <ol style="list-style-type: none"> <li>1) For the 60 FWS payments under review, we obtained copies of the timesheets supporting the wage payments under review</li> <li>2) For 14 of the 27 students whose timesheets we selected for detailed review, we determined that the students performed FWS duties during scheduled class hours for at least one day during the months under review</li> <li>3) For 17 of the 60 timesheets under review, the students worked more than 20 hours a week for at least one week while classes were in session.</li> <li>4) For 24 of the 60 timesheets reviewed, the student worked in excess of 6 hours for at least one day in the month. The 24 students were taking the required minimum 30-minute unpaid rest/meal break</li> </ol>	
<p><b>Restriction on use of report:</b> This report is intended solely for the internal use of the <i>Tennessee State University Board of Trustees' Audit Committee</i> and <i>Tennessee State University</i>. 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 Audit Committee and the university's Office of Internal Audit, and handled in accordance with institutional policies. However, this report is a matter of public record.</p>	

## **Prior Year Findings and Management's Response**

### **Prior Year's Findings:**

1. For 22 of the 38 timesheets (57.9%) selected for review, the students worked more than 20 hours a week for at least one week while classes were in session.
  - 6 of these 22 timesheets include one week in the month where the student worked in excess of 20 hours
  - 6 of these 22 timesheets include two weeks in the month where the student worked in excess of 20 hours each week
  - 8 of these 22 timesheets include three weeks in the month where the student worked in excess of 20 hours each week
  - 2 of these 22 timesheets include four weeks in the month where the student worked in excess of 20 hours each week
2. For 12 of the 19 students included in our sample, we noted several instances where students and related supervisors certified the student as performing work-study assignments during a scheduled class time.

### **Prior-Year Management's Response:**

In an effort to prevent future infractions related to FWS regulations, we are planning to implement several processes listed below. Additionally, in order for any area to be assigned a student worker paid by Federal Work Study Funds, the supervisor will be required to attend a formal training session hosted by the Financial Aid Office each year prior to the fall term. They will receive updated manuals, and we will review the information included in the manuals. Future failure to adhere to the regulations associated with these funds will result in loss of student workers for the identified area(s).

1. Timesheets will include a statement that will have to be acknowledged by the supervisor verifying students were not allowed to work during any scheduled class time.
2. Monthly reports will be sent to supervisors notifying them of the amount of hours remaining for their student workers.
3. Supervisors who allow students to work 6 or more hours should be ensuring the students are taking a 30 minute unpaid break.
4. The "20 hour per week minimum" is not a federal rule, but a Tennessee State University rule. We want to ensure students are focused first on their academic pursuits. The only exception that should be allowed is for weeks that class is not in session (holiday breaks between fall and spring terms, fall or spring break). During the summer, if FWS funds are available, students may work even if they are not enrolled as long as they plan to return in the fall of the upcoming term. This is also a time when students could work beyond the 20-hour week.

## **Current Status**

We obtained a listing of payments made to students participating in the Federal Work-Study (FWS) program during the fall 2019 semester. The listing included 865 payments to 325 students totaling \$299,331.04. We selected a sample of 60 payments to 46 students totaling \$37,870.57.

**Objective 1 – No issues noted**

For the 60 monthly timesheets selected for review, personnel in the Office of Payroll provided copies of the related timesheets supporting the FWS wage payments to the related students.

**Objective 2 – Not corrected**

We randomly selected 35 timesheets included in our sample for detailed review to determine if the students' supervisors certified them performing work study duties during a scheduled class time. These 35 payments were made to 27 students.

- A. For the 27 students selected for detailed timesheet review, we found that 14 of these 27 students (52%) performed FWS duties during scheduled class hours for at least one day during the months under review. (We also found sporadic overlapping for several students that range from 5 to 15 minutes that are not included in these results.)
- B. In its prior-year response, management indicated that the Office of Payroll would only accept the newly formatted timesheets which require applicable supervisors to certify that the student has not worked during any scheduled class time. We found that:
  - 32 of the 60 timesheets (53%) available for review and submitted to the Office of Payroll were not the updated timesheets.
    - 17 of the 35 timesheets submitted for the 14 students found to be working during class hours were not the updated forms

**Objective 3 – Not corrected**

For 17 of the 60 timesheets (28%) under review, the students worked more than 20 hours a week for at least one week while classes were in session. The 17 students worked from 0.5 to 8.0 hours (average 3.80 hours) in excess of the 20-hour limit.

- ❖ 8 of these 17 timesheets include one week in the month where the student worked in excess of 20 hours
- ❖ 6 of these 17 timesheets include two weeks in the month where the student worked in excess of 20 hours each week
- ❖ 3 of these 17 timesheets include three weeks in the month where the student worked in excess of 20 hours each week

**Objective 4 – No issues noted**

For 24 of the 60 timesheets reviewed, the student worked in excess of 6 hours for at least one day in the month. We found where the 24 students were taking the required minimum 30-minute unpaid rest/meal break.

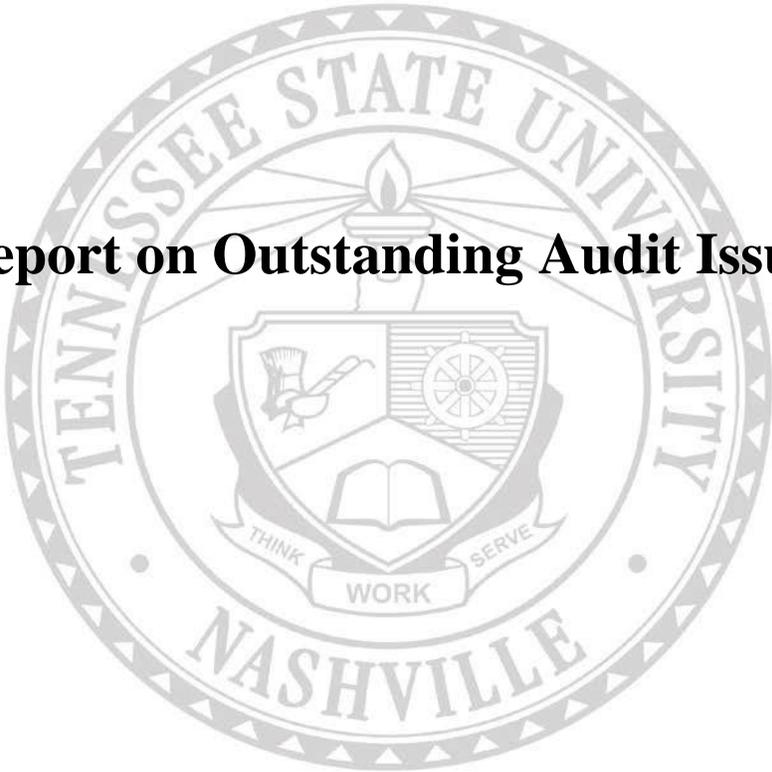
**Audit Recommendation:**

As indicated in the response to our prior audit findings, management in the Office of Financial Aid should ensure that the appropriate consequences are enacted for those supervisors who received training on the university's policies related to carrying out the FWS program and then were found to be in violation of the university's policies related to: (1) not allowing students to perform work-

study duties during scheduled class hours and (2) preventing students from working in excess of 20 hours per week when classes are in session.

**Tennessee State University  
Board of Trustees**

**Report on Outstanding Audit Issues**



TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: March 12, 2020

ITEM: Audit Committee Report – Report on Outstanding Audit Issues

RECOMMENDED ACTION: Discussion

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

Information pertaining to this report item is included in the March 12, 2020, Board materials.

Tennessee State University  
 Department of Internal Audit  
 Audit Issues Outstanding at February 27, 2020

Report Date	Report Title	Observations	Status of Management Implementation of Corrective Actions
2/26/2020	Audit of Undergraduate Admissions for Fall 2019	<ol style="list-style-type: none"> <li>1. Management exceeded the 10% limit for conditionally admitted first-time freshmen students</li> <li>2. Management did not ensure that supporting documentation (final high school transcript, test scores, etc.) was obtained for all enrolled students</li> <li>3. Management did not ensure that required immunization support was obtained for all enrolled students</li> <li>4. Management did not ensure that all exceptions to admission criteria were properly documented</li> </ol>	Ongoing
2/24/2020	Follow-up Review of Federal Work-Study (FWS) Timesheets	<ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol>	In progress
1/24/2020	Follow-up to Audit of Federal Grant: Promoting Best Management Practices in the Nursery Production Systems for the Mid-South United States by Providing Planning and Technical Assistance	<ol style="list-style-type: none"> <li>1. Management was not timely in submitting required federal reports - financial and performance reports</li> <li>2. Time and effort certifications were not prepared for all time charged to the grant during the budget period</li> </ol>	<ol style="list-style-type: none"> <li>1. In progress</li> <li>2. In progress</li> </ol>
1/24/2020	Follow-up to Audit of Federal Grant: Career Commitment and Retention in STEM: The Intersection of Professional Identity and Career Management Skills in Minority and Women STEM Students	<ol style="list-style-type: none"> <li>1. Time and effort certifications were not prepared for all time charged to the grant during the budget period</li> </ol>	<ol style="list-style-type: none"> <li>1. In progress</li> </ol>
11/16/2019	Equipment Inventory Confirmation	<ol style="list-style-type: none"> <li>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</li> <li>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</li> </ol>	Ongoing
2/14/2019	Division of State Audit, Financial and Compliance Audit of Tennessee State University for the Year Ended June 30, 2017	<ol style="list-style-type: none"> <li>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</li> <li>2. As noted in the prior three audits, Tennessee State University did not provide adequate internal controls in one area</li> </ol>	<ol style="list-style-type: none"> <li>1. Issue not corrected</li> <li>2. Ongoing</li> </ol>

**Tennessee State University  
Board of Trustees**



TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: March 12, 2020

ITEM: Audit Committee Report – Report on University’s Risk Assessment Process

RECOMMENDED ACTION: Discussion

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The report on the university’s risk assessment process is included in the March 12, 2020, Board materials.

**Background Information:**

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 must annually perform a management assessment of risk, incorporating the above-referenced internal controls into that assessment. The objectives of the annual risk assessment are 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.

The university’s risk assessment was provided to the Audit Committee for review in Executive Session during the November 21, 2019 board meeting.

**Tennessee State University  
Board of Trustees**



**Executive Session-  
Discussion of Items Deemed  
Confidential under State Law**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: March 12, 2020

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

**MOTION: To approve going into Executive Session to discuss items deemed confidential under State law.**