

**Tennessee State University
Board of Trustees**



**Audit Committee
Report**

TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING AGENDA

10:00 a.m. CST
Thursday, June 17, 2021

Board Committee Meetings: Via Zoom link:
Via Zoom: Meeting ID: 944 7006 3664
Passcode: 578001

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call/Declaration of a Quorum
- III. Approval of the March 11, 2021, 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 2021-2022 Audit Plan
- VII. Executive Session Discussion of Items Deemed Confidential Under State Law
- VIII. Adjournment

**Tennessee State University
Board of Trustees**



**Approval of the
March 11, 2021,
Audit Committee
Meeting Minutes**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: June 17, 2021

ITEM: Audit Committee Report - Approval of the March 11, 2021, Audit Committee Meeting Minutes

RECOMMENDED ACTION: Approval

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The document reflecting the minutes from the March 11, 2021, Audit Committee meeting is included in the June 17, 2021, Board materials.

MOTION: To approve the minutes from the Board of Trustees' March 11, 2021, Audit Committee meeting as contained in the Board materials for the Board's June 17, 2021, meeting.

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
March 11, 2021
Tennessee State University – Electronic**

MINUTES

Committee Members Present: Trustees Deborah Cole, Obie McKenzie and Richard Lewis;

Other Board Members Present: Joseph W. Walker, III, Pam Martin, Andre Johnson, Steve Corbeil, Van Pinnock, Dr. Ali Sekmen, and Tiara Thomas.

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

I. CALL TO ORDER

Trustee Cole called the meeting to order at 10:13 a.m. on March 11, 2021. Trustee Cole moved to make certain findings on the record regarding the necessity for conducting the meeting electronically without a physical quorum present due to the coronavirus pandemic. The Committee found that there were various important matters that required immediate action by the Committee. Participation by electronic means was necessitated by the COVID-19 pandemic and accompanying guidance from the Center for Disease Control (“CDC”) and the State of Tennessee to enforce social distancing guidelines, including limiting face-to-face contact whenever possible. Electronic participation for the Committee meeting was necessary for the safety of Board members, staff, and guests. Trustee Lewis seconded and the motion carried by a roll call vote.

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. Present: Trustees Deborah Cole, Richard Lewis, and Obie McKenzie. A quorum was established.

III. APPROVAL OF THE NOVEMBER 19, 2020, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the November 19, 2020, Audit committee meeting, as contained in the March 11, 2020, Board materials. Trustee Lewis seconded the motion, which carried by a roll call vote.

IV. REVIEW OF COMPLETED INTERNAL AUDIT REPORTS

Trustee Cole asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item. The material is included in the March 11, 2021, Board Meeting packet. This was an informational and discussion item, so no vote was required.

President Glover called on Ms. Davis to report on this agenda item. Ms. Davis then stated that in the previous Board meeting audit findings reported that management had not complied with state law as it related to obtaining required immunization documentation for certain students. The report stated that the error rate was 6 of 29 students (20.7%), but information obtained subsequent to the release supported the university's stance that the error rate should have been 3 of 29 students (10.3%). Director Davis explained that due to the ever changing COVID-19 pandemic, several courses that were designed to be delivered in a hybrid format, were actually delivered 100% online. Her team then went back to the course professors, who confirmed that 3 of those students actually enrolled 100% online. Following the institute of internal audit (IIA) standards, a reissuance of that report was done with the correct rating.

Director Davis stated that her team did a follow-up for the Spring 2021 semester and reviewed 33 students who were enrolled to determine if all required immunization documentation had been obtained. They found that documentation had not been obtained for 4 of 33 students (12%). This included 2 graduate students and 2 undergraduate students. The good news is that management has implemented procedures to eliminate the recurrence of this issue in the future.

Director Davis shared the audit findings from the Department of Human Resources. She stated that there were two with high status, one with medium and one that was of low status. The two that carried a high status related to (1) the finding of 1 of 44 employees where the I-9 Employment Eligibility Verification was not provided; (2) where 15 of 44 employees had forms that were not completed in the required timeframe. The other high-status finding was related to the performance evaluations of non-faculty employees. The audit found that the performance evaluations of approximately 50% of non-faculty employees were not submitted to the employees' personnel file by December 17. This procedure is being automated for the future and training in using the system is underway. The medium status finding related to pre-employment screening and background checks, details needed to be discussed in the executive session due to confidentiality. Of the 44 employee files audited, 1 file did not contain the Employee Confidentiality Agreement.

The other area of findings was with the Federal Work-Study timesheets. The findings revealed a net difference in wages in the amount of \$599.10. The Office of Payroll will be making recovery of these funds. Management has implemented correction action plan to address this issue and will be holding supervisors of FWS students accountable. Director Davis confirmed that the process is in place.

Trustee Cole asked Director Davis if she was satisfied that the proper procedures had been implemented so as to prevent a recurrence of these violations, and Director Davis confirmed that indeed she was satisfied with the new practices put in place. President Glover added that she had met with these work study supervisors to ensure that the changes were put in place to prevent any of these violations from happening again.

Director Davis added that of the 128 employees who participated in the VESP, her team reviewed 33 of the payments made and found no improper payments.

Trustee Sekmen commented about the current I-9 verification procedure and inquired if we had any plans to move to the E Verify system. He stated the new system could attract more international faculty to our campus. Ms. Davis said that she would follow-up and present that at the next meeting. She then thanked Ms. Davis for the report.

V. REVIEW OF OUTSTANDING AUDIT ISSUES

Trustee Cole asked President Glover to provide pertinent information related to this agenda item. The material is included in the March 11, 2021, Board Meeting packet. This was an informational and discussion item, so no vote was required.

President Glover again asked Director Davis to discuss the list of outstanding internal and external audit issues as of March 11, 2021 as included in the Board Meeting packet. She pointed out that the list of internal outstanding audits included federal work study, department of HR audit, and follow up of undergraduate admissions. The external outstanding audit issues related to the division of state audit, financial and compliance audit for fiscal year 2018; and the performance audit released in November. Director Davis itemized each external finding and confirmed that a CPA firm had been engaged to assist with the outstanding bank reconciliations. She confirmed that the bank reconciliations had been completed through 6/30/2020.

President Glover added that a new controller, Jay Turney, had been hired and that he was implementing some processes that will make a dramatic improvement. She shared that he and his team, along with Provost Harris and others, have made a vast improvement in getting this done.

Trustee Martin praised President Glover for all that she has done in making personnel changes and working to correct this issue. President Glover added that the university side of things had been corrected and now everyone was working on the foundation side. A new foundation accountant had recently been hired. Trustee Cole thanked Trustee Lewis and others for giving the 'go ahead' to management to get the necessary new hires. She then thanked Ms. Davis for the report

VI. REVIEW OF 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 11, 2021, Board Meeting packet. This was an informational and discussion item, so no vote was required.

President Glover looked to Director Davis to comment on this agenda item. Director Davis shared that all state agencies are required to annually perform a risk assessment. The details of the risk assessment are considered confidential and are to be discussed in the executive session. She shared that this agenda item was to go on record that the audit committee did review management's risk assessment, as required by the charter during executive session of the November 19, 2020 board meeting.

Director Davis added that the reports are due annually to the controller, and the department of finance and administration by December 31. Each year we submit ahead of the deadline by December 10th.

With no further questions or comments, Trustee Cole moved to recommend to the full Board the motion to adjourn the meeting to enter into Executive Session. Trustee Lewis seconded the motion, which carried unanimously by roll call vote.

VII. 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. Trustees Lewis seconded the motion, which was carried unanimously by a roll call vote. The committee then transitioned into the executive session.

VIII. ADJOURNMENT

There was no further discussion. Trustee Cole moved to adjourn the meeting and the motion was seconded by Trustee Lewis. The motion carried unanimously by roll call vote. The meeting was adjourned at 11:10 am.

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 17, 2021

ITEM: Audit Committee Report – Annual Report on the Audit Office’s Audit Activities

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

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

The Director of Internal Audit will discuss the Office of Internal Audit’s Year End Report for fiscal year 2020-2021.



Year-End Report on
Audit Activity for the
Year Ending June 30, 2021

Rank	Area	Audit/Reviews/Projects	Audit Status	Report Date
Required	AT	NCAA Student Assistance Fund FY 2020	Complete	August 20, 2020
Follow-Up	SS	Follow- Up Review of Undergraduate Admissions	Complete	October 21, 2020
Follow-Up	SS	Follow- Up Review of Graduate Admissions	Complete	October 21, 2020
Required	FM	President Expenses FY 2020	Complete	October 25, 2020
Required	IS	Review of Management's Risk Assessment	Complete	December 2, 2020
Risk-Based	IS	TSU Department of Human Resources	Complete	February 11, 2021
Follow-Up	SS	Follow-Up Review of Federal Work-Study (FWS) Timesheets Fall 2020	Complete	February 11, 2021
Follow-Up	SS	Follow- Up Review of Undergraduate Admissions (<i>Re-issued and Updated</i>)	Complete	February 12, 2021
Required	FM	Follow-Up TSU FYE 06/30/2018 Status of Implementation of Audit Recommendations	Complete	March 2, 2021
Required	FM	Follow-Up TSUEEE FYE 06/30/2018 Status of Implementation of Audit Recommendations	Complete	March 2, 2021
Risk-Based	AX	Student Housing Revenue	Complete	May 19, 2021
Risk-Based	AD	Foundation Gifts	Complete	May 19, 2021
Project	IS	Audit Committee Request - eVerify	Complete	May 20, 2021
Consultation	RS	FCOI Policy Revision and Disclosure Form Draft	Complete	May 21, 2021
Required	IS	Internal Quality Assessment Review	Complete	May 24, 2021
Risk-Based	FM	CARES Act Funding Review	In Progress	June 11, 2021
Risk-Based	SS	FERPA Compliance Review	In Progress	June 25, 2021
Consultation	FM	Allowance Calculation Review	In Progress	July 16, 2021

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

Tennessee State University
Department of Internal Audit
Report on Annual Audit Activity
Fiscal Year Ending June 30, 2021

Outstanding Issues from Internal Audits

Audit: Review of the NCAA Student Assistance Fund for FYE June 30, 2020

Issue: 1. Two university students were paid a total of \$13,914.00 for providing tutoring services to student-athletes during the fall 2019 and spring 2020 semesters. The payments were erroneously applied to the students' accounts as scholarships. SAF guidelines allow scholarship payments in the summer semester only and the recipient must be a student-athlete. These payments to non-student athletes should have been made via the university's procurement system as they are not eligible scholarship payments.

Audit: Follow-Up Review of Graduate Admissions for Fall 2020 Semester

Issues: 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

Status : Corrected

2. The university did not always obtain required immunization history records for applicable newly admitted and readmitted students registered for full-time enrollment during the fall 2019 semester

Status : Not Corrected

Audit: Audit of TSU Department of Human Resources

- Issues:** 1. Management did not provide the required U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification, for 1 of 44 employees selected for testing. In addition, forms were not completed in the required timeframe for 15 of 44 employees selected for testing.
2. Management did not ensure that employee performance evaluations for approximately 50% of non-faculty personnel were submitted to the Tennessee State University Department of Human Resources for inclusion in employees' personnel file folders during the fiscal year ended June 30, 2020.
3. Details of noncompliance in the area of Pre-Employment Screening/Employee Background Checks was determined to be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated.
4. University management did not provide us with a copy of the signed Employee Confidentiality Agreement for 1 of 44 employees tested.

Audit: Follow-Up Review of Federal Work-Study Timesheets- Fall 2020

- Issues:**
1. For 6 of 14 (43%) timesheets selected for detailed review, we found where the students performed FWS duties during scheduled class hours for at least one day during the month(s) under review.
 2. For 8 of the 40 (20%) timesheets reviewed, the students worked more than 20 hours a week for at least one week while classes were in session.
 3. For 2 of the 8 (25%) timesheets reviewed where the student worked in excess of 6 hours for at least one day in the month, we found where the student did not take the required minimum 30-minute unpaid rest/meal break.
 4. A net overpayment of \$599.10 was paid to 9 of the 17 students whose timesheets were selected for review. The related supervisor did not ensure that documented time worked was accurately calculated.

Audit: Follow-Up Review of Undergraduate Admissions for Fall 2020 Semester - **Re-Issued & Updated**

- Issues:**
1. Management exceeded the 10% limit for conditionally admitted first-time freshmen students
Status : Corrected
 2. Management did not ensure that supporting documentation (final high school transcript, test scores, etc.) was obtained for all enrolled students
Status : Corrected (First-Time Freshmen)
Status : Improved, Not Corrected (Dual Enrollment)
***Spring 2021 Update-** Management has achieved 100% compliance in this area for Dual Enrollment students who remained enrolled during the Fall 2020 semester.
 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
Status : Corrected
 5. Management did not ensure adherence to the state laws requiring newly admitted and readmitted full-time students and those who reside in student 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
Status : Not Corrected
- CORRECTION:** Our initial report indicated documentation was not obtained for 6 of 29 students (20.7%). Information obtained subsequent to the release of the report support the university's non-compliance should have been 3 of 29 students (10.3%).
- *SPRING 2021 UPDATE:** We reviewed the accounts of 33 students enrolled in the Spring 2021 semester to determine if all required immunization documentation was obtained. Our testing included 17 graduate students and 16 undergraduate students. We found where required documentation was not obtained for 4 of the 33 students (12%). This total includes 2 graduate students and 2 undergraduate students.

Audit: Student Housing Revenue Review- Fall 2020 and Spring 2021

Issues: 1. During the fall 2020 and spring 2021 semesters, management in the Department of Residence Life and Housing posted approximately \$100,000 in adjustments to the housing and/or meal plan charges on student accounts for charges incurred in previous fiscal years ranging from fall 2016 to spring 2020. While the charges did not relate to the fiscal year under review, the charges impact the revenue amounts to be reported for the fiscal year ending June 30, 2021.

2. Details of noncompliance in the area of Pre-Employment Screening/Employee Background Checks was determined to be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated.

Audit: Foundation Gifts - July 1, 2020 through March 31, 2021

- Issues:** 1. The Former Director of Fiscal Affairs did not ensure that gifts received in the Office of the Tennessee State University Foundation were always timely deposited during the period under review. For 1 of 13 daily deposits tested, daily gifts were not taken to the Office of the Bursar to be deposited within 1 business day. The funds were deposited three business days late.
2. The Former Director of Fiscal Affairs did not ensure that gifts deposited into the bank account of the Tennessee State University Foundation were always recorded or timely recorded during the period under review. For 46 of 66 (69.7%) bank deposits selected for testing, the deposits were either not recorded or not recorded within 10 days of the receipt of the donated funds.
3. The Former Director of Fiscal Affairs did not ensure that donated funds were always spent in accordance with donor intent. For 12 of 212 (5.67%) scholarship recipients selected for testing, the awarded students did not meet the documented awarding criteria as determined by the donor.

Audit: Follow-up to the Division of State Audit, Financial & Compliance Audit of Tennessee State University for the Year Ended June 30, 2018

- Issues:** 1. As noted in the prior three audits, management needs to improve procedures for preparing and reviewing financial statements
- Status :* The Division of Business and Finance has made staffing changes and is in the process of adding additional personnel to address the issue of understaffing, which has plagued the division for several years and contributed to management not being able to accurately prepare, and thoroughly review, prior years' financial statements. Using knowledge gained from prior years' experience, the Controller is implementing procedures that contribute to the timely recording of financial information throughout the year, allowing for the preparation of timely, accurate and thoroughly reviewed financial statements at year-end.
2. As noted in the prior audit, the university and the university foundation's accounting records show more cash on hand than the bank statements show; this variance is again unexplained
- Status :* The university retained the services of a reputable CPA firm to prepare university and foundation bank reconciliations. The CPA firm has reconciled bank and book records through June 30, 2020. Management in the Office of Accounting and Payroll analyzed the completed bank reconciliations. To ensure that bank reconciliations prepared for months subsequent to June 30, 2020 are accurately prepared, management is implementing processes and procedures to ensure the financial information in the university and foundation's accounting system is accurate, up-to-date and complete.

3. As noted in the prior audit, the university did not have adequate policies and procedures for the collection of accounts receivable

Status : A revised accounts receivable policy was submitted for approval by university management and approved by the Tennessee State University Board of Trustees (BOT) during its June 13, 2019 board meeting. Additional revisions were made to the policy and a newly-revised policy was approved by the BOT on October 31, 2020.

4. As noted in the prior four audits, Tennessee State University did not provide adequate internal controls in one area [*Details of the finding are confidential according to TN law]

Status : Management continues to improve internal controls in order to remedy this issue

Audit: Division of State Audit, Financial & Compliance Audit of the Endowment for Educational Excellence at the Tennessee State University Foundation for the Year Ended June 30, 2018

Issue: As noted in the prior two audits, management needs to improve procedures for preparing and reviewing financial statements

Status : The newly-hired Controller, Office of Business and Finance, reviewed the trust's unaudited financial statements and notes for accuracy prior to their submission to the Division of State Audit



Audit of
TSU Foundation Gifts
(July 1, 2020 through March 31, 2021)



**TENNESSEE
STATE UNIVERSITY**
Department of Internal Audit
3500 John A. Merritt Boulevard
Nashville, TN 37209-1561

May 19, 2021

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 gifts received by the Tennessee State University Foundation for the period July 1, 2020 through March 31, 2021. 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 primary objectives of the audit were to determine if gifts received by the Tennessee State University Foundation were deposited timely, recorded timely, and spent in accordance with donor intent. Our findings are documented in the attached report.

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

Sincerely,

Adrian R. Davis

Adrian R. Davis, CPA, CGFM
Director of Internal Audit
Tennessee State University

CC: Dr. Deborah A. Cole, Chair, Tennessee State University Audit Committee
Mr. Amos L. Otis, Chair, Tennessee State University Foundation Board of Directors
Mr. Douglas Allen, Vice President for Business and Finance, Tennessee State University

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**Tennessee State University
Department of Internal Audit
Audit of TSU Foundation Gifts
Executive Summary**

Key Area	Tennessee State University Foundation	Internal Auditor	Adrian R. Davis, <i>CPA, CGFM</i> , Director of Internal Audit
Introduction	The Tennessee State University Foundation (TSU Foundation) is a legally separate, tax-exempt organization supporting Tennessee State University. The mission of the Foundation is to promote and support literary, scientific, educational, scholarship, research, charitable and development purposes and goals at the university. The Foundation raises and invests contributions on behalf of the university.		
Objective	The objectives of our audit were to determine if gifts received by the Tennessee State University Foundation were timely deposited, timely recorded, and spent in accordance with donor intent.		
Scope	Gifts (restricted and unrestricted) received from July 1, 2020 through March 30, 2021		
Audit Finding Ranking	Audit findings are rated as high, medium or low depending on auditor judgment. Some of the factors considered in judging the seriousness of a finding include: (1) level of financial impact, (2) extent of violation of laws, regulations and restrictions, (3) lack of a university policy or noncompliance with a matter in an important matter, (4) lack of internal controls or ineffective controls and procedures, and (5) fraud, theft, conflicts of interest or serious waste of university resources.		
Findings	<ul style="list-style-type: none"> ▪ Objective 1 – The Former Director of Fiscal Affairs did not ensure that gifts received in the Office of the Tennessee State University Foundation were always deposited timely during the period under review. For 1 of 13 daily deposits tested, daily gifts were not taken to the Office of the Bursar to be deposited within 1 business day. The funds were deposited three business days late. [medium] ▪ Objective 2 – The Former Director of Fiscal Affairs did not ensure that gifts deposited into the bank account of the Tennessee State University Foundation were always recorded or timely recorded during the period under review. For 46 of 66 (60.7%) bank deposits selected for testing, the deposits were either not recorded or not recorded within 10 days of the receipt of the donated funds. [high] ▪ Objective 3 - The Former Director of Fiscal Affairs did not ensure that donated funds were always spent in accordance with donor intent. For 12 of 212 (5.67%) scholarship recipients selected for testing, the awarded students did not meet the documented awarding criteria as determined by the donor. [high] 		
Conclusion	The objectives of the audit were met. It was determined that TSU Foundation management did ensure that funds received in the Office of the TSU Foundation were timely deposited during the period under review, except as noted above. It was determined that donations received in the TSU Foundation bank account were not always recorded or recorded in a timely manner, and donations were not always spent in accordance with donor intent during the period under review.		
Restriction on Use of Report	<i>This report is intended solely for the internal use of Tennessee State University and the Tennessee State University Audit Committee, a standing committee of the Tennessee State University Board of Trustees. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the TSU Audit Committee and Tennessee State University Office of Internal Audit, and handled in accordance with institutional policies; however, this report is a matter of public record.</i>		

Introduction

The Tennessee State University Foundation (TSU Foundation) is a legally separate, tax-exempt organization supporting Tennessee State University. The mission of the Foundation is to promote and support literary, scientific, educational, scholarship, research, charitable, and development purposes and goals at the university. According to the TSU Foundation website, gifts made to the TSU Foundation “allows us to provide scholarships, departmental support, and other special projects that benefit our students.” Gifts are received in various forms, including liquid funds (cash, checks, credit cards, etc.), endowments, stocks, and other types of assets (i.e. gift-in-kind). The Foundation raises and invests contributions on behalf of the university. Donations are classified into two categories: restricted or unrestricted. Restricted donations can only be used for the designated purpose.

Other Audits

The latest annual audit of the financial statements for the TSU Foundation, for the fiscal year ended June 30, 2018, resulted in two repeat audit findings. The first multi-year repeat audit finding was due to numerous errors included in the TSU Foundation’s financial statements and the accompanying notes to the financial statements. The second repeat audit finding was due to the TSU Foundation’s bank reconciliation (which was a combined reconciliation with Tennessee State University) containing several unidentified reconciling items resulting in the bank statement and general ledger not being completely reconciled.

Current Audit

Our audit was performed to determine if gifts received by the TSU Foundation on behalf of Tennessee State University were being deposited timely, recorded timely, and spent in accordance with donor intent. Properly addressing these areas will help the TSU Foundation to address the core issues that caused the repeat findings included in the most recent audit report for the annual audit of its financial statements.

The results of our review are summarized in this report.

AUDIT RESULTS

A. Audit Objective: To determine if gifts received by the TSU Foundation were timely deposited.

Gifts received in the office of the Tennessee State University Foundation (TSU Foundation) are detailed in the daily gift log. In response to the COVID-19 pandemic, university and Foundation personnel worked remotely during 2020, beginning in March 2020. However, Foundation personnel would travel to campus twice a week to record gifts received at that time. Foundation gifts are taken to the cashiers in the Tennessee State University Bursar's Office to be receipted and taken to the bank for deposit.

Audit Results:

We requested and obtained the daily gift logs for the period January 1, 2020 through March 31, 2021. We selected for testing the 13 dates with the largest gifts received from September 2020 through March 31, 2021. The gifts received on the sampled dates included 461 gifts totaling \$678,493.70.

Our review of the documentation provided by TSU Foundation personnel to support these gift amounts found that:

- For 12 of the 13 dates selected, gifts were timely recorded and taken to the Office of the Bursar to be deposited within 1 business day.
- For 1 of the 13 dates selected, gifts received on October 9, 2020 totaling \$17,710.50 were not taken to the Bursar's Office to be deposited until October 15, 2020, four business days later.

Conclusion: The Former Director of Fiscal Affairs did ensure that gifts received in the TSU Foundation Office were deposited timely for 12 of 13 dates selected for testing. Gifts should be deposited within 1 business day of receipt. For 1 of the 13 dates selected for testing, funds were deposited 3 business days late.

B. Audit Objective: To determine if gifts received by the TSU Foundation were timely recorded

To ensure that all transactions in a monthly period are accounted for and to minimize the risk of having unidentified amounts impact bank reconciliations going forward, management must ensure that all transactions in a given month are recorded and recorded timely. For purposes of our testing, we set a timeliness threshold of 10 days after the receipt of a donation. We performed a review to determine if transactions were being recorded within ten days after the receipt of funds.

We requested and obtained the TSU Foundation's bank statements for January 1, 2020 through March 2021. We randomly selected 66 deposits totaling \$904,102.34 from the bank statements for July 2020 through March 2021. For the selected deposits, we requested documentation from Foundation management to support the deposit amounts and the recording of the funds in the Foundation's information system. The Former Director of Fiscal

Affairs (Former Director) was charged with ensuring the appropriate recording of Foundation gift transactions from July 1, 2020 through March 7, 2021. Beginning March 8, 2021, this became the responsibility of the Director of Foundation Accounting (Director).

Our review of the supporting documentation provided by Foundation personnel to support the 66 individual deposits selected for review found that:

- For 20 of the 66 deposits selected for review, the deposits were recorded within 10 days of the receipt of funds (an average of 3.1 days). These funds were received during August 2020 to March 2021 (excluding November 2020).
- For 3 of the 66 deposits selected for review, TSU Foundation management did not record the deposits totaling \$42,000. These deposits were received in October 2020, January 2021, and February 2021.
 - As of April 28, 2021, the deposits were 204, 98, and 83 days unrecorded.
- For 20 of the 66 deposits selected for review, TSU Foundation management could not verify that the transactions totaling \$118,726 were recorded. The Director is currently reconciling all gifts received since July 1, 2020 with transactions recorded in the information system. These funds were received from July 2020 to December 2020.
 - If determined to be unrecorded, the transactions would be unrecorded from 114 to 301 days as of April 28, 2021.
- For 23 of the 66 deposits selected for review, the deposits totaling \$591,994.89 were recorded from 11 to 266 days (an average of 99 days) after the funds were received. 11 of the 23 deposits were recorded within 40 days of the receipt of funds. All deposits were dated on or before March 1, 2021.
 - A \$250,000 deposit received on December 1, 2020 was initially posted to the suspense account. We obtained documentation to show that Foundation management was made aware of the source of these funds on February 28, 2021. As of April 28, 2021, the funds had not been moved to the appropriate fund to allow for use of the funds for their stated purpose.
 - The source for a \$30,000 deposit was identified by Foundation management 2 days prior to the anticipated funds being deposited into the bank on October 26, 2020. The funds remained unrecorded for 25 days after being deposited in the TSU Foundation's bank account.
 - The applicable donor for a \$20,000 deposit was identified by Foundation management one month prior to the anticipated funds being deposited into the bank on October 23, 2020. The funds remained unrecorded for 153 days after being deposited. The funds were recorded in the suspense account at that time.

Conclusion: The Former Director did not ensure that all donations received in the TSU Foundation bank account were recorded and/or recorded timely from July 2020 through March 7, 2021.

C. Audit Objective: To determine if gifts received by the TSU Foundation were spent in accordance with donor intent.

1. We obtained a listing of foundation expenses in the university's accounting system for the period July 1, 2020 through March 31, 2021. The expenses totaled \$1,982,300.14, of which \$1,621,193.09 (82%) were scholarship expenses.
 - a. The \$1,621,193.09 scholarship expenses consisted of scholarship disbursements from 212 scholarship funds to 261 students for the fall 2020 and spring 2021 semesters. We reviewed disbursements from 9 scholarship funds totaling \$939,453.09 in scholarship expenses. This total included scholarship payments to 212 students.

Our review of the scholarship disbursements to these 212 students found that:

 - 200 of the 212 students met the awarding criteria as established by the donor
 - 12 of the 212 students did not meet all awarding criteria as established by the donor for four scholarship funds
 - Award 1 > Four students awarded a total of \$7,234.75 did not meet the stated criteria of being enrolled in 12 credit hours during the semester of award
 - Award 2 > Three students awarded a total of \$9,500 did not meet the stated criteria of being enrolled full-time
 - Award 3 > Two students awarded a total of \$4,000 exceeded the GPA threshold included in the award criteria. One of these two students also did not meet the criteria for being on the TSU Track Team on scholarship during the semester awarded. The student was on the TSU Track Team in the prior fiscal year.
 - Award 4 > Three students awarded a total of \$3,415 did not meet the stated criteria of being full-time enrolled in one of six allowable undergraduate majors. One of these three students also was a male student when award criteria stated the awarded student should be a female student.
 - b. We randomly selected 25 disbursements from the \$361,107.05 operating expense disbursement total. The 25 selected transactions totaled \$241,546.36. No issues were noted during our review of these transactions.

Conclusion: The Former Director did not ensure that expenditures were always in agreement with the intent of the donor during the period under review.

OTHER ISSUES NOTED

- We performed a cursory review of all bank statements for the period January 1, 2020 through May 31, 2021. While reviewing the bank statements, we identified a *Paypal* deposit into the Foundation bank account in February 2020. We inquired of management why no other *Paypal* deposits were received since that time. It was discovered that the Former Director had not drawn down approximately \$45,000 in *Paypal* funds since February 2020. The Director of Foundation Accounting initiated the drawdown of the outstanding gift amounts in April 2021. *Paypal* gift drawdowns were current as of May 2021. We inquired of the recording of these funds since February 2020 and were told that the funds were being recorded but were not being drawn down.

- As of April 28, 2021, the former Director of Fiscal Affairs had not posted related journal entries during the fiscal year for the TSU Foundation's investments.

Audit Recommendations:

1. The Vice President of Institutional Advancement should ensure that the Director of the Tennessee State University Foundation (the Former Director of Fiscal Affairs):
 - ✓ Provides the Director of Foundation Accounting with all the resources and account access (e.g. online access to bank accounts, and portals that detail donor information to support the proper recording of donations to be deposited in the TSU Foundation bank account) necessary to allow for the timely and complete recording of all financial transactions related to the TSU Foundation to bring the accounting for the TSU Foundation to a current state.
 - ✓ Provides a complete and accurate listing of all cash and investment accounts managed by the TSU Foundation
 - ✓ Ensures that all gifts received in the TSU Foundation Office are deposited within 1 business day
 - ✓ Ensures that all outstanding journal entries related to the TSU Foundation's investment accounts are recorded
 - The Vice President of Institutional Advancement should ensure that Foundation management timely provides investment statements to the Director of Foundation Accounting so that outstanding entries can be recorded.
 - ✓ Reviews transactions recorded in the Foundation's suspense account. These transactions should be compared with the related description of the gift per the applicable bank statement or gift log and any email communications received by Foundation personnel related to these funds. Identified funds should be moved to the applicable fund to be used for the stated purpose.
 - During our testing, it was discovered that Foundation personnel were alerted of the impending receipt of several donations. However, once received the funds were not always timely recorded and/or recorded to the appropriate fund in the information system. Instead, funds were recorded to the suspense account.
 - ✓ Implements procedures that ensure scholarship disbursements made to students who did not meet the awarding criteria are immediately credited back to the appropriate fund.
2. The Controller should document timeframes for the timely recording of gifts and investment income.

Management's Comments: The State Comptroller, Division of State Audit, is currently finalizing its audit of the TSU Foundation's financial statements for FY ended 2019 and FY ended 2020. The State Comptroller's office has emphasized the need for TSU to immediately correct issues related to the recording and reporting of TSU Foundation financial activity. In addition to the procedures documented below, a controller will be hired and assigned to the TSU Foundation to ensure that the Foundation immediately addresses all accounting issues.

Audit Objective A- *Timely Depositing of Gifts*

Management concurs with the analysis and the recommendations outlined in the audit report. The Director of Foundation Accounting will ensure that TSU Foundation staff are depositing gifts within 1 business day of receipt.

Procedures will be reviewed with staff to ensure that all gifts are deposited within 1 business day of receipt. Due to the limited staff available and the number of events in October, special emphasis will

be given to that month. The requirement that all gifts are deposited within 1 business day will be reviewed during this next fiscal year to determine if 1 business day is a reasonable timeframe.

Audit Objective B- *Timely Recording of Gifts*

Management concurs with the analysis and the recommendations outlined in the audit report.

Procedures have been changed to ensure that all donations received in the TSU Foundation bank account are recorded timely.

- The Director of Foundation Accounting sends out a report of bank transactions daily. This report shows all transactions to date for the month highlighting any new or unusual deposits.
- The Director of Foundation Accounting will reconcile the Foundation's bank account by the 15th of the following month. The month of April 2021 has been reconciled.
- A weekly meeting will be scheduled between the Foundation Director and the Director of Foundation Accounting for review of any financial issues or concerns. The intention of the meeting will be to ensure the proper recording of gifts and contributions to the Foundation.

Audit Objective C- *Compliance with Donor Intent*

Management concurs with the analysis and the recommendations outlined in the audit report. The Director of Foundation Accounting will ensure that all scholarship disbursements made to students who did not meet the awarding criteria are credited back to the appropriate fund by June 30, 2021.

Procedures will be reviewed and changed to ensure those students awarded scholarships meet all awarding criteria as established by the donor.

The current process requires departments to submit scholarship authorizations to the Foundation Office for approval. In the case of two of the awards included in the audit finding in this report, this process was not followed.

A revised process review will be implemented where scholarship awarding will go through a formal process using a scholarship committee to make a more detailed review of the scholarship recipients. Before the recipient is awarded, the committee will submit scholarship authorizations to the Foundation Director for approval.

Other Audit Recommendations:

- The former Director of Fiscal Affairs will provide a complete and accurate listing of all cash and investment accounts managed by the TSU Foundation by June 1, 2021.
 - The Director of Foundation Accounting will be provided online account access to all cash and investment accounts by June 30, 2021.
 - The Director of Foundation Accounting has been provided with account access to bank accounts and payment portals to support the proper recording of donations to be deposited in the TSU Foundation bank account.
- The Director of Foundation Accounting will submit all investment journal entries monthly.
 - The investment journal entries for FY21 through April will be recorded by May 31.
- The recording of gifts and investment income will be done on a current basis as well.
- The Director of Foundation Accounting will work with TSU Foundation personnel to review all transactions recorded in the Foundation's suspense account by June 15, 2021.

- These transactions will be compared with the related description of the deposit per the applicable bank statement or gift log and email communications received by TSU Foundation personnel.
- Entries will be made to transfer identified funds from the suspense account to the applicable fund to be used for the stated purpose.

Going forward, the suspense account will be reviewed monthly by TSU personnel and the appropriate adjustments will be made.

May 20, 2021

Dr. Deborah A. Cole, Audit Committee Chair
Tennessee State University
3500 John A. Merritt Boulevard
Nashville, Tennessee 37209

Dear Chairwoman Cole:

During our last Audit Committee Meeting held on March 11, 2021, we presented the results of our audit of the Tennessee State University Department of Human Resources (Department). Dr. Ali Sekmen, Faculty Trustee, *Tennessee State University Board of Trustees*, inquired if we had obtained any insight into the Department's plans to use *E-Verify* in the future. Dr. Sekmen stated that the decision not to use *E-Verify* has prevented the university from hiring several qualified individuals. We had not obtained any information on the Department's intentions to use E-Verify at the time of our previous board meeting. As a result, you directed us to report back on the status of the Department's intentions at the upcoming Audit Committee meeting to be held in June 2021.

According to its website, "*E-Verify* is a web-based system that allows enrolled employers to confirm the eligibility of their employees to work in the United States. E-Verify employers verify the identity and employment eligibility of newly hired employees by electronically matching information provided by employees on the Form I-9, Employment Eligibility Verification, against records available to the Social Security Administration (SSA) and the Department of Homeland Security (DHS)...the employer usually receives a response within a few seconds either confirming the employee's employment eligibility or indicating that the employee needs to take further action to complete the case." The employer is not charged any service fees for using the E-Verify service.

The Associate Vice President for Human Resources confirmed that the Department will begin using the *E-Verify* service at the beginning of the fiscal year 2022. As part of the *E-Verify* enrollment process, organizations must sign and agree to the *Memorandum of Understanding for the Employer (MOU)*. The 13-page agreement is between the Department of Homeland Security (DHS) and the Employer. The purpose of this agreement is to set forth the terms and conditions which the Employer will follow while participating in E-Verify. The university is currently reviewing the terms included in the MOU.

Sincerely,

Adrian R. Davis

Adrian R. Davis, CPA, CGFM
Director of Internal Audit
Tennessee State University

CC: Dr. Glenda Baskin Glover, President



Student Housing Revenue
Fall 2020 and Spring 2021



May 19, 2021

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 review of student housing revenue for Tennessee State University. The scope of our audit is fall 2020 and spring 2021 semester housing revenue. 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 audit 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. Frank Stevenson, Associate Vice President and Dean of Students

**Tennessee State University
Department of Internal Audit
Audit of Student Housing Revenue
Executive Summary**

Key Area	Department of Residence Life and Housing	Internal Auditor	Adrian R. Davis, CPA, CGFM Director of Internal Audit
Background	The Department of Residence Life and Housing is a department in the Tennessee State University Division of Student Affairs. The Department of Residence Life and Housing is responsible for managing all student residence halls and student apartments, including, room assignments and transfers, and providing training and oversight of Residence Hall Managers, Resident Assistants, and Graduate Assistants.		
Objective	<p>The objectives of our audit were:</p> <ul style="list-style-type: none"> ▪ To determine if there were effective controls in place to ensure accurate recording of Student Housing revenue, and ▪ To determine if the university was in compliance with federal guidelines, state laws, and/or institutional policies related to employees working in student housing 		
Scope	Fall 2020 and Spring 2021		
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	<ol style="list-style-type: none"> 1. During the fall 2020 and spring 2021 semesters, management in the Department of Residence Life and Housing posted approximately \$100,000 in adjustments to the housing and/or meal plan charges on student accounts for charges incurred in previous fiscal years ranging from fall 2016 to spring 2020. While the charges did not relate to the fiscal year under review, the charges impact the revenue amounts to be reported for the fiscal year ending June 30, 2021. [Low] 2. Details of noncompliance in the area of Pre-Employment Screening/Employee Background Checks was determined to be confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i>. [High] 		
Conclusion	The objective of our audit was met. It was determined that the university was in compliance with applicable policies, procedures, rules, regulations, etc. for student housing, except as noted in the finding above.		
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

The Department of Residence Life and Housing is a department in the Tennessee State University Division of Student Affairs. The Department of Residence Life and Housing is responsible for managing all student residence halls and student apartments, including, room assignments and transfers, and providing training and oversight of Residence Hall Managers, Resident Assistants, and Graduate Assistants.

Tennessee State University offers 8 on-campus housing facilities (6 residence halls and 2 student apartments) for university students with a combined capacity of 1,861 rooms. The housing rates established by the university are subject to the approval of the Tennessee State University Board of Trustees. During the fall 2020 and spring 2021 semesters, the housing rates were \$3,272 for student apartments and ranged from \$1,325 to \$3,742 to reside in a one to three-bedroom residence hall space.

To be eligible for on-campus housing, a student must be admitted for enrollment and registered for courses during the applicable semester. The Department of Residence Life and Housing uses the *RMS Mercury* software system to manage the student housing process. Student housing information entered into the *RMS Mercury* system is electronically transferred to the Banner Student system. The *RMS Mercury* software system provides students access to an online application. To submit a housing application, students must pay a \$100 housing deposit, which is applied as a pre-payment to that portion of the housing fee for the applicable semester. Students gain access to the online housing application via their *myTSU* account. The student's classification (e.g. freshman, sophomore, graduate student, etc.) is used to determine which residence hall or student apartment that the student qualifies to reside in. Freshman students are given the opportunity to apply for on-campus housing before other student classifications. Student housing assignments are made on a first-come, first-serve basis after the submission of a housing application. There are also certain meal plan requirements for freshmen students residing in the residence halls and for students choosing to reside in on-campus student apartments. These meal plan charges were posted to applicable student accounts by personnel in the Department of Residence Life and Housing during the period under review.

Audit Results

1. Compliance with TSU Board of Trustees Approved Housing Rates

We reviewed housing rates entered into the RMS Mercury system and the housing rates posted to student accounts in the Banner Student system for the fall 2020 and spring 2021 semesters.

Conclusion: Housing rates charged to students during the semesters under review were in agreement with board-approved housing rates, as presented on the university's Student Housing webpage.

2. Reconciliation between Banner Student and Banner Finance

We obtained a listing of Residence Life charges (student housing and meal plan charges) in Banner Student. We also obtained a listing of all Residence Life transactions in the Banner Finance system as of May 7, 2021. (We included meal plan revenue in this total because the two revenue amounts are reported as one amount on the face of the financial statements for the university's latest annual audit.)

- Residence Life charges in the Banner Finance system for the fall 2020 and spring semesters totaled \$14,167,546.64
- Residence Life charges in the Banner Student system for the fall 2020 and spring 2021 semesters totaled \$14,267,114.63

- ❖ Our review of the \$99,567.99 difference between the two systems found that the majority of this difference relates to adjustments to housing and meal plan charges incurred in prior fiscal years. There were adjustments to over 80 student accounts for terms ranging from fall 2016 to spring 2020. During our review, it was discovered that many of the adjustments were adjustments to student meal plans. It appears that the adjustments were not timely due to a miscommunication between *Residence Life and Housing* management and *Auxiliary Services* management regarding whose responsibility it was to post adjustments during the period under review. At the time of testing, we were informed that Auxiliary Services was in the process of transferring the management of meal plan charges to Auxiliary Services. While the charges did not relate to the fiscal year under review, the charges impact the revenue amounts to be reported for the fiscal year ending June 30, 2021. More importantly, the charges result in a change to the balances owed by students or the amount to be refunded to students. Student account charges should be reconciled between the student information system and external housing management system timely (i.e. when the need for an adjustment arises during each semester) and at the end of the applicable semester.

Conclusion: Management has controls in place to ensure that board-approved rates charged to student accounts are appropriately transferred from the Banner Student system and recorded to the appropriate housing account in the Banner Finance system. This ensures that current-year housing and meal plan revenue is accurately recorded. However, when an adjustment to a student account is required (e.g. a student never moves into student housing, a student moves out of student housing prior to the semester purge date, a student decides not to attend the university after securing housing and/or a meal plan, etc.), these adjustments were not always made timely during the applicable semester. We identified several housing and meal plan charge adjustments that should have been made during the applicable previous semester.

3. Reconciliation between Banner Student and RMS Mercury

We obtained the student housing roster from the RMS Mercury system for the fall 2020 and spring 2021 semesters. The roster includes housing details, such as the student's name, room type, assigned room, room rate, check-in/check-out dates, and residence hall. We compared the student's occupancy per the RMS Mercury roster with housing charges on the student's account in the university's Banner Student system. Students were appropriately charged based on the dates of occupancy. Pro-rated charges were based on the board-approved rates.

- Our comparison between the two systems involved 2,167 student accounts. For 7 of these students, we identified system errors due to the duplicate application or removal of a housing charge. Once we pointed out the errors, management posted corrections to the applicable student accounts.

Conclusion: Student housing occupancy information included in the RMS Mercury system accurately supported the applicable student charges in Banner Student, except for the errors noted above.

4. Compliance with State Law(s) Related to Employment in Student Housing Facilities

Conclusion: We observed a condition in violation of state regulations and/or university policies. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*.

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: June 17, 2021

ITEM: Audit Committee Report – Discussion of the Audit Office’s Quality Assessment

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

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

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

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: June 17, 2021

ITEM: Audit Committee Report – Approval of Fiscal Year 2021-2022 Audit Plan

RECOMMENDED ACTION: Approval

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The annual audit plan for the Department of Internal Audit was prepared using a risk-based approach as required by the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. The audit plan covers the annual audit period ending June 30, 2022. 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 2021-2022.

See Attachment.

MOTION: To approve the Fiscal Year 2021-2022 Audit Plan, as contained in the Board materials for the Board’s June 17, 2021, meeting.

Tennessee State University
 Department of Internal Audit
 Annual Audit Plan 2021 – 2022

**Tennessee State University
 Department of Internal Audit
 Internal Audit Plan
 Fiscal Year Ending June 30, 2022**

Rank	Type	Area	Audit	Budget (Hours)	Estimated Start	Estimated Completion
Required	R	AT	NCAA Student Assistance Fund FY 2021	150	July 2021	August 2021
Required	R	FM	State of Tennessee Single Audit FY 2020- Follow-Up	150	July 2021	September 2021
Required	R	IS	Audit Manual Review and Update	25	July 2021	August 2021
Risk-Based	A	IT	Banner Access Review - Finance Module	225	August 2021	October 2021
Risk-Based	A	FM	Grants External Reporting Process Review	175	August 2021	October 2021
Risk-Based	A	IT	Banner Access Review - HR Module	225	September 2021	December 2021
Risk-Based	A	FM	CARES Act Funding Review	150	July 2021	June 2022
Follow-Up Review	F	IS	Follow-Up Reviews of Internal Audit Findings	275	July 2021	June 2022
	F	SS	(A) Admissions - Immunizations Compliance			
	F	FM	(B) Federal Work-Study			
	F	IS	(C) Department of Human Resources			
	F	AD	(D) Foundation Gifts			
	F	AX	(E) Student Housing			
Required	R	FM	President's Expenses FY 2021	100	October 2021	November 2021
Risk-Based	A	SS	Department of Financial Aid- Efficiency Review	225	October 2021	December 2021
Risk Assessment	M	IS	Review Management's Risk Assessments	50	November 2021	December 2021
Required	R	FM	State Audit Follow-up for FY 2019	110	October 2021	February 2022
Required	R	FM	State Audit Follow-up for FY 2020	110	October 2021	February 2022
Investigation	I	IS	Unscheduled Audits/Projects/Investigations	200	TBD	
Consultation	C	IS	Unscheduled Consultations	100	TBD	
Risk-Based	A	IT	Banner Access Review - Student Module	225	February 2022	April 2022
Risk-Based	A	IS	Title IX Compliance Procedures Review	225	January 2022	April 2022
Required	R	IS	Review of Conflict of Interest Forms	100	January 2022	March 2022
Risk-Based	A	SS	Office of the Bursar- Efficiency Review	225	March 2022	May 2022
Consultation	C	FM	University Lease Analysis (carry-forward)	55	March 2022	April 2022
Required	R	IS	Quality Assessment Review- Internal	25	April 2022	May 2022
Risk-Based	A	FM	Procurement Card Transactions Review	75	May 2022	June 2022
Required	R	FM	Cash Counts	10	June 2022	June 2022
			Total	3210		

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

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: June 17, 2021

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