

**Tennessee State University
Board of Trustees**



**Audit Committee
Report**

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

Thursday, November 17, 2022
10:00 a.m. CST

Tennessee State University
Main Campus – Hankal Hall
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 September 15, 2022, Audit Committee Meeting Minutes
- IV. Review of Completed Internal and External Audits
- V. Review of Outstanding Audit Issues
- VI. Discussion of the Audit Office's External Quality Assessment Review
- VII. Executive Session Discussion of Items Deemed Confidential Under State Law
- VIII. Adjournment

**Tennessee State University
Board of Trustees**



**Approval of the
September 15, 2022,
Audit Committee
Meeting Minutes**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE: November 17, 2022

ITEM: Audit Committee Report - Approval of the September 15, 2022, Audit Committee Meeting Minutes

RECOMMENDED ACTION: Approval

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The document reflecting the minutes from the September 15, 2022, Audit Committee meeting is included in the November 17, 2022, Board materials.

MOTION: To approve the minutes from the Board of Trustees' September 15, 2022, Audit Committee meeting, as contained in the Board materials for the Board's November 17, 2022, meeting.

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
September 15, 2022
Tennessee State University – Electronic**

MINUTES

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

Other Board Members Present: Pam Martin, Andre Johnson, Richard Lewis, Bill Johnson, and Shaun Wimberly.

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

I. CALL TO ORDER

Trustee Cole called the meeting to order at 10:50 a.m. CDT on September 15, 2022. 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 Pinnock seconded and the motion carried.

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, McKenzie and Van Pinnock. A quorum was established.

III. APPROVAL OF THE JUNE 16, 2022, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the June 16, 2022, Audit committee meeting, as contained in the September 15, 2022, Board materials. Trustee McKenzie seconded the motion, which carried by roll call vote unanimously.

IV. REVIEW OF THE COMPLETED INTERNAL AUDITS

Trustee Cole introduced the next item on the agenda, the review of the completed internal audits. She then 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 September 15, 2022, 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 stated that the procurement card review included procurement card purchases during the period July 1, 2021, through April 30, 2022, and that the audit was performed according to the International Standards for the Professional Practice of Internal Auditing. The objective of the audit was to determine if P-Card purchases were made in compliance with university policy and procedures.

According to Director Davis, the audit of the procurement card purchases revealed three findings but concluded that the university did have the appropriate controls in place to ensure compliance with policies and procedures. She stated that although there was room for improvement in certain areas of the procurement card program, the objective of the audit was met. Details of the review are outlined in the Board materials on pages #33 to #37.

Director Davis also shared that a review of the National Collegiate Athletic Association (NCAA) Student Assistance Fund for the fiscal year ending June 30, 2022, was completed. There were no findings and the review indicated that the university had the relevant procedures in place to ensure that student-athletes were eligible to receive SAF funds. The review also determined that the expenditure of these funds complies with NCAA guidelines. An outline of the review is found in the Board materials on page #40.

V. REVIEW OF OUTSTANDING AUDIT ISSUES

Trustee Cole announced the next item on the agenda, the review of outstanding audit issues and asked President Glover to provide pertinent information related to this agenda item. This was an informational and discussion item, so no vote was required.

President Glover again asked Director Davis to discuss this item as included in the Board Meeting packet. She pointed out that her office prepares a review of all outstanding audit issues which resulted from internal audits. She shared that the audit committee requests quarterly updates on management's progress towards correcting issues cited. The detailed status of the progress is outlined on pages #43 to #45 in the Board materials. Director Davis stated that the purpose of preparing this review was to meet the requirement of the Audit Committee. Chair Cole then thanked Director Davis for her report on this agenda item.

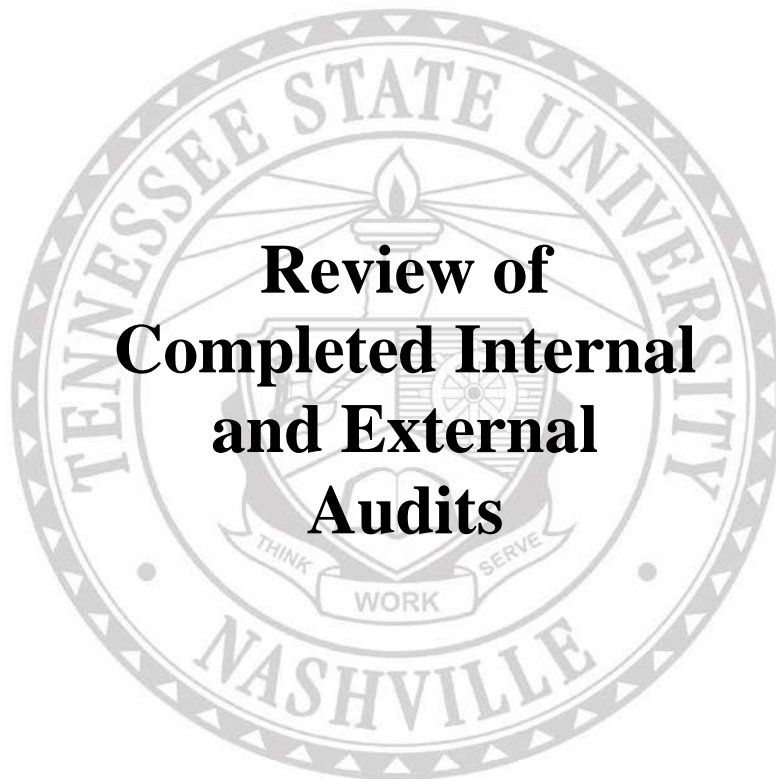
VI. EXECUTIVE SESSION FOR DISCUSSION OF ITEMS DEEMED CONFIDENTIAL UNDER STATE LAW

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

VII. ADJOURNMENT

There was no further discussion. Trustee Cole moved to adjourn the meeting and the motion was seconded by Trustee Pinnock. The motion carried unanimously by roll call vote. The meeting was adjourned at 12:06 p.m. CDT.

**Tennessee State University
Board of Trustees**



TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 17, 2022

ITEM: Audit Committee Report – Review of Completed Internal and External Audits

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

The Internal Audit Director prepared On October 27, 2022, the Tennessee Comptroller of the Treasury- Division of State Audit issued the audit report related to its audit of the financial statements and accompanying notes to the financial statements of Tennessee State University. The audit covered the fiscal year ended June 30, 2021. Director of Internal Audit, Ms. Adrian Davis, President Glover and/or her designee will discuss the details of this audit.



Audit of
President's Expense Schedules
for the fiscal year ended June 30, 2022



October 27, 2022

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

Dear Chairwoman Cole:

Enclosed is the internal audit report of the expenses of the Office of the President for Tennessee State University for the fiscal year ended June 30, 2022, as required by Tennessee Code Annotated, Title 49, Chapter 7. The audit was conducted in accordance with *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

The objectives of the audit were to determine compliance with state statutes and institutional policies regarding expenses and to identify and report all expenses for the fiscal year that were made by, at the direction of or for the benefit of the president regardless of the funding source.

The report contains no findings or observations.

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. Glenda Glover, President, Tennessee State University
Mr. Douglas Allen, Vice President for Business and Finance, Tennessee State University

**Tennessee State University
Office of Internal Audit
Audit of President's Expenses
For the Fiscal Year Ended June 30, 2022**

President	Dr. Glenda Glover	Internal Auditor	Adrian R. Davis, <i>CPA, CGFM</i> Director of Internal Audit																																																																																							
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year July 1, 2021 to June 30, 2022; to determine compliance with state statutes and institutional policies regarding expenses; and to identify and report all expenses made by, at the direction of or for the benefit of the president regardless of the funding source.																																																																																									
Scope	The audit included all accounts under the direct budgetary control of the president, whether funded by institutional funds, foundation funds or external sources and other accounts as necessary. The audit included tests of the accounting records and such other auditing procedures considered necessary.																																																																																									
Analysis	<p>The following is a summary by funding source of (1) certain expenses made by, at the direction of, or for the benefit of the president, and (2) salary and benefits and any other operating expenses for the president's office during the fiscal year ended June 30, 2022:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: right; border-bottom: 1px solid black;"><i>Institutional</i></th> <th style="text-align: right; border-bottom: 1px solid black;"><i>Foundation</i></th> <th style="text-align: right; border-bottom: 1px solid black;"><i>External</i></th> <th style="text-align: right; border-bottom: 1px solid black;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">PRESIDENT:</td> </tr> <tr> <td>Salary and Benefits</td> <td style="text-align: right;">\$ 401,762</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ 401,762</td> </tr> <tr> <td>Discretionary Allowance</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Other Allowances (longevity)</td> <td style="text-align: right;">900</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">900</td> </tr> <tr> <td>Salary, Benefits & Other Payments</td> <td style="text-align: right; border-top: 1px solid black;">407,662</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">407,662</td> </tr> <tr> <td>Travel (Schedule A)</td> <td style="text-align: right;">1,019</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1,019</td> </tr> <tr> <td>Business Meals and Hospitality (Schedule B)</td> <td style="text-align: right;">19,956</td> <td style="text-align: right;">22,105</td> <td style="text-align: right;">5,586</td> <td style="text-align: right;">47,647</td> </tr> <tr> <td>Other Expenses (Schedule C)</td> <td style="text-align: right;">36,799</td> <td style="text-align: right;">134</td> <td style="text-align: right;">-</td> <td style="text-align: right;">36,933</td> </tr> <tr> <td>Total Expenses for the President</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">465,436</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">22,239</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">5,586</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">493,261</td> </tr> <tr> <td colspan="5">PRESIDENT'S OFFICE:</td> </tr> <tr> <td>Salary and Benefits</td> <td style="text-align: right;">280,264</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">280,264</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">4,026</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">4,026</td> </tr> <tr> <td>Business Meals and Hospitality</td> <td style="text-align: right;">968</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">968</td> </tr> <tr> <td>Other Expenses (supplies, copies, etc.)</td> <td style="text-align: right;">14,346</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">14,346</td> </tr> <tr> <td>Total Expenses for President's Office</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">299,604</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">299,604</td> </tr> <tr> <td>TOTAL EXPENSES</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 765,040</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 22,239</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 5,586</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 792,865</td> </tr> </tbody> </table> <p><u>Additional Disclosures:</u></p> <p>Discretionary Allowance – The President was provided a discretionary spending allowance. Use of the allowance was not included in tests performed during the audit because the President elected for it to be paid as taxable income.</p> <p>Housing – The President is provided the use of a residence. Costs to maintain the home are paid by the university and totaled \$14,833 for the period.</p>						<i>Institutional</i>	<i>Foundation</i>	<i>External</i>	Total	PRESIDENT:					Salary and Benefits	\$ 401,762	\$ -	\$ -	\$ 401,762	Discretionary Allowance	5,000	-	-	5,000	Other Allowances (longevity)	900	-	-	900	Salary, Benefits & Other Payments	407,662	-	-	407,662	Travel (Schedule A)	1,019	-	-	1,019	Business Meals and Hospitality (Schedule B)	19,956	22,105	5,586	47,647	Other Expenses (Schedule C)	36,799	134	-	36,933	Total Expenses for the President	465,436	22,239	5,586	493,261	PRESIDENT'S OFFICE:					Salary and Benefits	280,264	-	-	280,264	Travel	4,026	-	-	4,026	Business Meals and Hospitality	968	-	-	968	Other Expenses (supplies, copies, etc.)	14,346	-	-	14,346	Total Expenses for President's Office	299,604	-	-	299,604	TOTAL EXPENSES	\$ 765,040	\$ 22,239	\$ 5,586	\$ 792,865
	<i>Institutional</i>	<i>Foundation</i>	<i>External</i>	Total																																																																																						
PRESIDENT:																																																																																										
Salary and Benefits	\$ 401,762	\$ -	\$ -	\$ 401,762																																																																																						
Discretionary Allowance	5,000	-	-	5,000																																																																																						
Other Allowances (longevity)	900	-	-	900																																																																																						
Salary, Benefits & Other Payments	407,662	-	-	407,662																																																																																						
Travel (Schedule A)	1,019	-	-	1,019																																																																																						
Business Meals and Hospitality (Schedule B)	19,956	22,105	5,586	47,647																																																																																						
Other Expenses (Schedule C)	36,799	134	-	36,933																																																																																						
Total Expenses for the President	465,436	22,239	5,586	493,261																																																																																						
PRESIDENT'S OFFICE:																																																																																										
Salary and Benefits	280,264	-	-	280,264																																																																																						
Travel	4,026	-	-	4,026																																																																																						
Business Meals and Hospitality	968	-	-	968																																																																																						
Other Expenses (supplies, copies, etc.)	14,346	-	-	14,346																																																																																						
Total Expenses for President's Office	299,604	-	-	299,604																																																																																						
TOTAL EXPENSES	\$ 765,040	\$ 22,239	\$ 5,586	\$ 792,865																																																																																						

	<p>Athletic Tickets – The President was provided tickets to university athletic events. The face value of the tickets totaled \$29,070 and parking passes totaled \$3,500 for the period.</p> <p>External Sources – This report includes the cost of items provided, paid, or reimbursed by external sources for the benefit of the President.</p>
Observations	No issues were noted.
Conclusion	The objectives of the audit of the expenses of the Office of the President for Tennessee State University for the fiscal year July 1, 2021 through June 30, 2022 were achieved. The audit revealed no significant statutory or policy violations, material omissions from the expense reports or deficiencies in internal controls. The supplemental schedules included with this report fairly represent the expenses of the president’s office.
Restriction on Use of Report	<i>This report is intended solely for the internal use of the Tennessee State University Board of Trustees and Tennessee State University. 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>

Tennessee State University
Schedule A- Travel Expenses for the President
For the Period July 1, 2021 to June 30, 2022

Description	<i>President's Budgetary Accounts</i>			Total
	Institutional	Foundation	External Sources	
Transportation for President to and from Memphis, TN	\$ 1,019	\$ -	\$ -	\$ 1,019
Total Travel Expenses for the President	\$ 1,019	-	\$ -	\$ 1,019

Tennessee State University
Schedule B- Business Meals & Hospitality for the President
For the Period July 1, 2021 to June 30, 2022

Description	<i>President's Budgetary Accounts</i>			Total
	Institutional	Foundation	External Sources	
Aramark (President's Hospitality Account 2021-2022)	-	-	\$ 5,586	\$ 5,586
Levy Restaurant at Nissan Stadium (Catering for suites -Tennessee State University football games)	\$ 19,266.00	-	-	19,266
Slim & Husky's (Meeting with Student leaders)	690	-	-	690
Levy Restaurant at Nissan Stadium (Catering for suites -Tennessee Titans football games)	-	\$ 15,047	-	15,047
Serenity Funeral Home (Reception /Repast for C. Humphrey)	-	7,058	-	7,058
Total Business & Meals & Hospitality Expenses	\$ 19,956	\$ 22,105	\$ 5,586	\$ 47,647

Tennessee State University
Schedule C - Other Expenses for the President
For the Period July 1, 2021 to June 30, 2022

Description	<i>President's Budgetary Accounts</i>		Total
	Institutional	Foundation	
J Co Lawn Care (Labor and materials, front gutters & peaks)	\$ 2,500 *	-	\$ 2,500
Proctor and Graves Service Co LLC (Full inspection of HVAC)	1,990 *	-	1,990
Proctor and Graves Service Co LLC (access door installation)	1,625 *	-	1,625
Proctor and Graves Service Co LLC (Disposal replacement)	1,510 *	-	1,510
Holmes Pest Control Corp (pest control services during the year)	665 *	-	665
The Home Depot (microwave, dishwasher, and accessories)	1,241 *	-	1,241
The Home Depot (light fixtures and light bulbs)	295 *	-	295
Wal-mart (miscellaneous household item)	17 *	-	17
Winsupply Nashville TN Co (replace hot water heater)	1,592 *	-	1,592
Johnson Controls Security Solutions (alarm system services)	3,398 *	-	3,398
American Business Solutions (Humphries programs)	2,985	-	2,985
American Business Solutions (Harper programs)	575	-	575
DW McRee Construction (office remodel)	7,812	-	7,812
Women Corporate Directors (annual membership dues)	800	-	800
Community Foundation of Middle TN (annual membership dues)	500	-	500
Nashville Area Chamber of Commerce (Partnership 2030)	6,000	-	6,000
Reimburesment to employee for purchase of floral arrangement	120	-	120
Moment of Creation Studios (F. Humphries Production)	3,000	-	3,000
Reimburesment to employee for purchase of flower basket	174	-	174
Reimburesment to employee for purchase of funeral spray	-	\$ 134	134
Total Other Expenses for the President	\$ 36,799	\$ 134	\$ 36,933

* Expense for the President's home



DEPARTMENT OF INTERNAL AUDIT

Follow-Up Review

Tennessee Immunization Requirements Compliance
Fall 2022 Semester



Tennessee State University
Department of Internal Audit
3500 John A. Merritt Boulevard
Nashville, Tennessee 37209

October 28, 2022

Dr. Glenda Glover, President
Tennessee State University
3500 John A. Merritt Boulevard
Nashville, Tennessee 37209

Dear Dr. Glover:

Enclosed is our internal audit report related to our follow-up review of Tennessee State University's adherence to state immunization requirements. The scope of the follow-up review included newly admitted students during the fall 2022 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. Frank Stevenson, Associate Vice President and Dean of Students

Tennessee State University
Department of Internal Audit
Follow-Up Review- Immunizations Compliance
Fall 2022
Executive Summary

Key Area	Division of Student Affairs	Internal Auditor	Adrian R. Davis, <i>CPA, CGFM</i> Director of Internal Audit
Introduction	<p>The General Assembly of Tennessee requires new college students to complete an immunization compliance process. The Tennessee Department of Health is responsible for immunization requirements for those who attend child care, pre-school, school, and college. The state of Tennessee requires state public institutions of higher education to verify that students have received mandated immunizations. Most of the requirements for immunization were satisfied when students were enrolled in elementary and/or secondary school, decreasing the risk of the outbreak of an infectious disease.</p> <p>Any new full-time enrollee of a higher education institution with an enrollment greater than two hundred students, who is not enrolled 100% as a distance learning student, shall present proof of adequate immunization (or laboratory evidence of immunity) against the following diseases:</p> <ul style="list-style-type: none"> • Measles, Mumps, Rubella (2 doses of each, normally given together as MMR): if born on or after January 1, 1957 only; • Varicella/chicken pox (2 doses or credible history of disease): if born on or after January 1, 1980 only; • Meningococcal Disease (minimum of 1 dose given at 16 years of age or greater if enrolling in the public institution for the first time and under 22 years of age and living in on-campus housing) <p>Students are allowed certain medical and religious exemptions to the immunization requirements listed above. A student who has been exempted from a particular vaccination must comply with the immunization requirements for any vaccines from which he or she has not been exempted.</p>		
Objective	To determine if the university is in compliance with state of Tennessee immunization requirements for newly admitted students		
Scope	Newly enrolled students during the fall 2022 semester		
Prior Audit Results	Our review of the vaccination information in the university's student information system found that the university did not obtain adequate proof of the student's receipt of mandated vaccinations for 231 of the 1,997 (11.6%) students included in our testwork.		
Current Audit Results	Our review of the vaccination information in the university's student information system found that the university did not obtain adequate proof of the student's receipt of mandated vaccinations for 279 of the 3,738 (7.5%) students included in our testwork.		

Results of Review

We obtained the population of newly enrolled students for the fall 2022 semester. Our review of this population identified 3,738 students who are required to present proof of their immunization against certain diseases as identified by the Tennessee Department of Health. Our review of immunization information in the university's student information system found that the university did not obtain adequate proof of the student's immunization against certain diseases for 279 of the 3,738 (7.5%) students included in our testwork.

For these 279 undergraduate students, we found that:

- A.** For 172 of these 279 students, there was no documentation to support the student receiving two doses of the Measles, Mumps, and Rubella (MMR) vaccine and two doses of the Varicella vaccination. These students were not in student housing and were not required to provide proof of adequate immunization against meningococcal disease.
 - 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.

- B.** For 37 of these 279 students, the student is under the age of 22 and residing in student housing but there was no documentation to support the university obtaining proof of the student's immunization against meningococcal disease.
 - For 20 of these 37 students, there was also no documentation to support the university obtaining adequate proof of the student receiving two doses of the Measles, Mumps, and Rubella (MMR) vaccine and two doses of the Varicella vaccination.

- C.** For 30 of these 279 students, the student is under the age of 22, residing in student housing, and submitted proof for receiving the meningococcal vaccination before the age of 16. Many of these students received their vaccination around the age of twelve. Tennessee law requires students receive "at a minimum of 1 dose given at 16 years of age or greater..."
 - According to the Tennessee Department of Health, "For vaccines with critical minimum age requirements (e.g., MMR, varicella) or minimum dose intervals, doses are considered valid if given up to 4 days before the minimum age or dose interval. Doses administered more than 4 days early are considered invalid and should be repeated as recommended."

- D.** For 40 of these 279 students, the university stated that the student was exempted from providing proof of receiving two doses of the Measles, Mumps, and Rubella (MMR) vaccine and/or two doses of Varicella vaccination. However, it was not indicated if the student presented acceptable documentation for exemption per the State's allowable exemption conditions (e.g. religious or medical). The students did not qualify for the age-related exemption.

Conclusion and Audit Recommendation

It was determined that the university has procedures in place to ensure that students provide proof of immunization against certain diseases, as required by state law. Management has made progress toward full compliance in this area, achieving 92.5% compliance.

However, to ensure full compliance with state immunization requirements, additional system controls should be implemented that prevent student registration when required immunization proof is not submitted.

Management's Response

While the University Health Center is responsible for receiving and properly documenting immunization records as they are protected medical records of our students, this is also a state requirement for the enrollment and registration process for academic courses. With an unprecedented number of students attending Tennessee State University for the Fall 2022 AY, some immunization records required additional follow up and documentation that may have been requested, yet not received-- resulting in an incomplete or missing immunization record. However, any student attempting to register for classes without a properly documented immunization record should have been unable to complete the registration process for courses or allowed to receive a housing assignment. Therefore, they should not be matriculating in classes or living on campus until completed immunization records are received and documented.

The Division of Student Affairs is working closely with both admissions and housing to address a technology solution to identify and “flag” any missing or incomplete immunization records in order to prohibit students from being able to register or continue in the registration process as well as secure University housing until their immunization forms, subsequent waivers, or exemptions are received and documented. We are also attempting to address why these students did not submit full immunization records to the University Health Center and were allowed to register, matriculate, and/or live in University Housing.

Students with missing or incomplete immunization records were contacted by the University Health Center to address their records and non-compliance in order to complete the process for fulfilling this state requirement.



**TENNESSEE
STATE UNIVERSITY**
DEPARTMENT OF INTERNAL AUDIT

**Details of External Audit Report -
Financial and Compliance Audit for the
Year Ended June 30, 2021**

Tennessee State University
Department of Internal Audit
External Audit Summary - Financial and Compliance Audit
Tennessee State University for the Year Ended June 30, 2021

Introduction:

The Comptroller of the Treasury, Division of State Audit, performed a financial and compliance audit of the financial statements and related notes to the financial statements of Tennessee State University and the Tennessee State University Foundation. The audit covered the fiscal year ended June 30, 2021. The Division of State Audit issued an unmodified audit opinion (i.e., the financial statements for the university and foundation were determined to be fairly presented in accordance with generally accepted accounting principles in the United States). However, the report included three repeat audit findings.

Findings, Recommendations and Management's Comments:

Finding 1 - Management has not ensured processes were in place to record significant financial transactions, and as noted in the prior four audits, management has continued to disregard basic financial controls by not sufficiently performing bank reconciliations

University management did not correct control deficiencies related to the University's and the foundation's financial operations by ensuring adequate processes were in place to record significant transactions, and as noted in the prior four audits, Business Office personnel did not prepare and review bank reconciliations completely or timely.

State Audit Recommendation

As the steward of the university's assets, including both its physical assets and reputation, university management must address identified deficiencies and correct ongoing issues, as accurately recording transactions is essential to good financial management. Properly preparing and reviewing bank reconciliations in a timely manner is a basic control that management must no longer ignore. The Vice President of Business and Finance and the Controller must ensure staff identify unreconciled bank reconciliation items to determine if cash has been misappropriated or errors exist with bank transactions. Each month, Business Office personnel and foundation personnel should prepare and review bank account reconciliations for each bank statement, soon after receiving the bank statements but no later than 30 days after the end of the month. Bank reconciliation policies should be updated to require the university's Business Office personnel and foundation personnel to perform reconciliations within 30 days. Once those policies are modified, management must ensure staff follow them consistently and are properly trained to complete the reconciliations. Management must ensure transactions are recorded in the general ledger, recorded in the correct accounts, and recorded to the proper entity. Each month, management must investigate and correct the unresolved differences between cash per the bank and cash per the accounting records. Management must make the proper adjustments to the accounting records to reflect inaccurate and unrecorded transactions noted in this and prior audits.

Management's Comments

We partially concur. We are refining the policy to complete reconciliations no later than 30 days after the end of the month. Finance personnel prepares and reviews separate bank reconciliations for each month. Management has investigated the unresolved differences between cash per bank and cash per the accounting records and has made the necessary adjustments to the accounting records.

Processes have been put into place to review cash transactions daily and ensure that the appropriate entries are made timely.

Additional staff has been hired to ensure that bank reconciliations are performed timely. In addition, new staff members have been trained on how to properly and timely perform bank reconciliations.

State Auditor's Comment

Management had not made all of the necessary adjustments to the accounting records by the end of our fieldwork date. We will review the accounting records in the subsequent audit to ensure the adjustments were made to the fiscal year 2022 financial statements.

Finding 2 - As noted in the prior six audits, management allowed a breakdown of controls that resulted in errors in the financial statements

Management has continued to allow a breakdown of controls related to financial reporting and has not corrected control deficiencies noted in the prior six audits. Tennessee State University's procedures for preparing and reviewing its financial statements and the accompanying notes to the financial statements remained inadequate to ensure the accuracy, proper classification, and disclosure of information.

State Audit Recommendation

As stewards of TSU's assets, TSU management must address identified deficiencies and correct pervasive issues. The Vice President of Business and Finance should ensure improved communication and cooperation between all staff with accounting responsibilities and should ensure staff timely complete the information necessary to compile and review the financial statements and notes. The Vice President of Business and Finance should ensure all staff are properly trained and should institute procedures that ensure the accuracy, proper classification, and disclosure of information presented in the financial statements and the accompanying notes. These procedures must include reconciliation processes, both between book and bank and between general and subsidiary ledgers. These procedures should also address the preparation of the financial statements and the notes, as well as the subsequent review process. Management should perform adequate reviews on the statements and the notes to mitigate the risk of errors. Management should ensure staff preparing and/or reviewing the financial statements have adequate knowledge of governmental accounting and reporting requirements to properly perform their responsibilities.

Management's Comment

We partially concur. The university has addressed accounting staff shortages and continues building, training, and retaining a qualified finance team. Maintaining such a team will ensure that the specific errors documented in the audit finding do not recur.

Management agrees with the assertion that not enough time has elapsed to see the full effect of these changes for the fiscal year 2021 audited financial report.

Although the continued delay in finalizing the audit of the prior year's financial statements has increased the difficulty of preparing the subsequent year's financial statements, management has worked with State Audit staff to formulate a plan that should facilitate the completion of the annual audit so that it is completed before the preparation of the subsequent year's financial report. This plan could not be implemented before the fiscal year 2021 audit and preparing the fiscal year 2022 financial statements. The plan was implemented before the fiscal year 2022 audit and preparing the fiscal year 2023 financial statements.

Management is committed to retaining qualified finance staff to be trained and acquire the necessary experience to prepare the financial statements and the accompanying notes to the financial statements. In addition, having experienced personnel familiar with TSU will help reduce or eliminate errors in the financial statements. Management is also committed to having adequate, qualified staff that will review the financial statements and notes before completion to ensure the accuracy, proper classification, and disclosure of information presented in the financial statements and accompanying notes.

State Auditor's Comment

Management's comments do not dispute the errors reported in our finding. Although management's comments provide details of their efforts to improve controls, as stated previously in the finding and in management's comments, not enough time has elapsed to see the full effect of these changes. We will review the financial statements in the subsequent audit to determine if management's efforts have sufficiently corrected the breakdown of controls related to financial reporting.

Finding 3 - As noted in the prior four audits, university personnel did not perform adequate collection procedures for accounts receivable

Our review of Tennessee State University's accounts receivable collection procedures revealed that the university still did not consistently perform timely collection procedures and collection agency assignments in adherence with policy. As accounts receivable cannot be written off until the university has exhausted all collection efforts, accounts receivable reported in the notes may not accurately reflect the amount that the university expects to collect. In addition, we noted that the Bursar's Office did not have a sufficient tracking system for collection letters to ensure they were sent out timely and that the office did not always keep copies of collection letters on file.

Recommendation

Management should ensure that staff perform collection efforts timely in accordance with policy and that the tracking system documents when staff send billing and collection letters. Management should provide oversight and review of the collection process to ensure that staff complete each step properly.

When the university has exhausted its collection efforts, management should submit the receivables for write-off. After the write-off of accounts receivable is approved by the Commissioner of Finance and Administration and the Comptroller of the Treasury, management should remove them from the accounting records, thus reducing the amount of gross receivables reported in the notes to the financial statements.

Management's Comment

We partially concur. The university has addressed our staffing needs and hired qualified and competent staff that allows Bursar Offices to perform adequate collection procedures for accounts receivable.

The university hired additional resources, ensuring that the staffing challenges were satisfied. The Associate Vice President for Financial Services is working with the Bursar's Office to hire, train and retain staff to ensure compliance with policy and perform adequate procedures for collecting accounts receivable.

In addition to adequate staffing, management will utilize software to help ensure that collection efforts are timely and to implement an efficient tracking system that maintains documentation of when account statements or collection letters are mailed.

Management will enforce the policy that students should not be able to register for the following semester if they have a receivable due.

State Auditor's Comment

Management's comments do not dispute the errors reported in our finding. Although management's comments provide details of their efforts to improve collection procedures for accounts receivable, these efforts have not yet resolved the continued errors identified for the current period. We will review this area in the subsequent audit to determine if management has since corrected the issues noted regarding collection efforts.

**Tennessee State University
Board of Trustees**



TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
INFORMATION ITEM

DATE: November 17, 2022

ITEM: Audit Committee Report – Review of Outstanding Audit Issues

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

Tennessee State University is subject to audits by its internal audit department and external entities. The audits, reviews, etc. can result in findings that require corrective actions on the part of university management. The Tennessee State University Audit Committee is diligent in its commitment and responsibility to ensure university compliance. The Audit Committee requests quarterly updates on management’s progress towards correcting issues cited in audit reports. The status of management’s progress towards correcting outstanding issues will be discussed.

Director of Internal Audit, Ms. Adrian Davis, and President Glover and/or her designee will discuss the outstanding audit issues.

Tennessee State University
 Department of Internal Audit
Audit Issues Outstanding as of October 27, 2022

INTERNAL AUDITS

Report Date	Audit Issues	Status
2/21/2022	Foundation Gifts	<i>Follow-up to begin November 2022</i>
	<ol style="list-style-type: none"> 1. For 3 of 18 (16.7%) daily deposits tested, daily gifts were not deposited within one business day. The funds were deposited from one to four business days late. 2. For 9 of 22 (41%) bank statement credit transactions selected for testing, the transaction was not recorded within 10 days of the receipt of the donated funds. 3. For 3 of 56 (5%) scholarship recipients selected for testing, the awarded students did not meet the documented awarding criteria as determined by the donor. For 1 of 20 (5%) non-scholarship disbursements, \$24,000 in consulting fees were erroneously paid from a fund where funds were solicited to provide scholarships to university students. 	
2/16/2022	Follow-Up Review of Federal Work-Study Timesheets- Fall 2021	<i>Follow-up to begin December 2022</i>
	<ol style="list-style-type: none"> 1. For 14 of 30 (47%) timesheets selected for detailed review, we found where the students performed FWS duties during scheduled class hours for at least one day during the months under review 2. For 15 of the 50 (30%) timesheets reviewed, the students worked more than 20 hours a week for at least one week while classes were in session. 3. For 3 of the 20 (15%) 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 underpayment of \$262.00 was paid to 5 of the students included in our sample. In addition, an overaward of \$340 was also identified. 	
5/12/2022	Audit of TSU Department of Human Resources	<i>Follow-up to begin January 2023</i>
	<ol style="list-style-type: none"> 1. For 5 of the 30 employees (17%) included in our sample, university management did not ensure that the employee and/or university representative completed the applicable sections of the USCIS Form I-9 within the required timeframe. 2. Management did not ensure that all staff performance evaluations were submitted to the Tennessee State University Department of Human Resources 3. Details of noncompliance in this area were determined to be confidential per Section 10-7-504(i), Tennessee Code Annotated. 	
5/16/2022	Student Housing	<i>Follow-up to begin January 2023</i>
	<p>Details of noncompliance in this area were determined to be confidential per Section 10-7-504(i), Tennessee Code Annotated.</p>	
5/26/2022	Grants Management	<i>Follow-up to begin April 2023</i>
	<ol style="list-style-type: none"> 1. Management did not ensure that financial and performance reports were always timely submitted during the period under review. We found where 1 of 19 project/progress reports, and 11 of 16 financial reports were not timely submitted. We were not provided with 2 of 16 financial reports and were unable to determine if the reports were timely submitted. 	

- 2. Management did not ensure that the effort reporting system accurately supported the work performed.
 - A) Management did not always ensure that time and effort was timely certified or that there was evidence to support timely certification
 - B) Management did not ensure that time and effort certifications were supported by the underlying payroll charges to the project

8/23/2022 **Procurement Card Transactions Review** *Follow-up to begin May 2023*

- 1. Cardholders did not always obtain approval to exceed the single transaction limit of \$1,000
- 2. Cardholders did not always ensure adequate supporting documentation was provided for procurement card transactions

EXTERNAL AUDITS

10/27/2022 **Division of State Audit, Financial & Compliance Audit, Tennessee State University for the Fiscal Year Ended June 30, 2021**

- Finding:** 1. Management has not ensured processes were in place to record significant financial transactions, and as noted in the prior four audits, management has continued to disregard basic financial controls by not sufficiently performing bank reconciliations
- Finding:** 2. As noted in the prior six audits, management allowed a breakdown of controls that has resulted in errors in the financial statements
- Finding:** 3. As noted in the prior four audits, university personnel did not perform adequate collection procedures for accounts receivable

Status: *State law requires a follow-up report be submitted to the Comptroller's Office by April 27, 2023

TO: Dr. Deborah A. Cole, Tennessee State University Audit Committee Chair
FROM: Adrian R. Davis, Director of Internal Audit, Tennessee State University
DATE: October 27, 2022
RE: TSU Foundation Gift Deposit

Policy vs. Practice

Tennessee State University Policy Number 5.06.05.6, *Deposits*, states, "...Tennessee State University will deposit funds each day when \$500 or more in funds has been accumulated. All funds must be adequately secured. In all cases, a deposit must be made at least once each work week (Monday through Friday) if there are any funds to be deposited..."

The Tennessee State University Foundation (TSU Foundation) does not have a separate deposit policy.

Given that there is not a separate deposit policy, coupled with the average daily amount received in the TSU Foundation Office, and because funds received in the TSU Foundation Office are presented to cashiers in the Bursar's Office for receipting and bank deposit, external auditors and the university's internal auditors, apply a timeliness threshold of 1 business day when ensuring that funds are timely presented to the Office of the Bursar for deposit.

- The Executive Director of Foundation and Fiscal Operations (Executive Director) stated that while there is no formal Foundation policy, it is the Foundation's practice to present deposits to the Office of the Bursar within one day so that deposit can be made within three days. The Executive Director stated that the TSU Foundation Office seeks to exceed these standards for all deposits.

Resolution

Management in the TSU Foundation has determined that three days is a sufficient and appropriate time frame for a deposit to occur. Management does not have evidence of any deposit requirements, except for state or federal dollars, which most of the Foundation's deposits are not. The timeframe is based on professional judgment and management's understanding of the timing of receipts and deposits. It should also be noted that deposits are appropriately safeguarded prior to deposit if a day or more elapses.

The Executive Director will draft a policy for review by the Foundation Board/Executive Committee/Finance Committee for their next series of meetings.

**Tennessee State University
Board of Trustees**

The seal of Tennessee State University is a circular emblem. It features a central shield with a lamp of knowledge, a book, and a gear. Above the shield is a banner with the words "THINK", "SERVE", and "WORK". The outer ring of the seal contains the text "TENNESSEE STATE UNIVERSITY" at the top and "NASHVILLE" at the bottom, separated by two small dots.

**Discussion of the
Audit Office's
External Quality Assessment
Review**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 17, 2022

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

RECOMMENDED ACTION: None

PRESENTED BY: Chair of Audit Committee, Trustee Deborah Cole

Standard 1312, External Assessments, issued by the *Institute of Internal Auditors*, states that “External assessments must be completed at least every five years by a qualified, independent assessor or assessment team from outside the organization.” The external assessment may be accomplished through a full external assessment, or a self-assessment with independent external validation.

The Audit Office’s last external assessment was performed in 2018. An assessment team from KraftCPAs performed the independent validation of the Office’s self-assessment. Director of Internal Audit, Ms. Adrian Davis, and President Glover and/or her designee will discuss the next external quality assessment, due in 2023.

**Tennessee State University
Board of Trustees**



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

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

DISCUSSION ITEM

DATE: November 17, 2022

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

The Audit Committee will go into Executive Session to discuss items deemed confidential under state law.