

Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
November 19, 2020
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, 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; Horace Chase, Vice President of Business and Finance; Dr. Frances Williams, 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 10:28 a.m. on November 19, 2020. 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 the motion and the motion carried by roll call vote.

II. ROLL CALL/DECLARATION OF A QUORUM

Trustee Cole asked Secretary Pendleton to call the roll. Board Secretary Pendleton called the roll. Present: Trustees Deborah Cole, Richard Lewis, and Obie McKenzie. A quorum was established.

Trustee Cole asked the committee members to state now if any of the committee members cannot hear or speak with each other. No committee members answered in the affirmative. Trustee Cole

also asked the committee members to indicate if someone is present with them from the location in which they are calling. No committee members indicated there was anyone present.

III. APPROVAL OF THE SEPTEMBER 24, 2020, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the September 24, 2020, Audit committee meeting, as contained in the November 19, 2020, board materials. Trustee Lewis seconded the motion, which carried.

IV. REVIEW OF COMPLETED INTERNAL AND EXTERNAL AUDITS

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 November 19, 2020, Board Meeting packet.

Director Davis stated she would begin with completed internal audit findings and then proceed to completed external audit findings. She noted that the internal audit was a follow-up of undergraduate student admissions from Fall 2019. They were reviewed in Fall 2020 to confirm that the four findings were corrected.

Director Davis provided a detailed summary of the follow-up findings as outlined in pages 30 through 35 of the Board materials for the November 19, 2020, Board meeting. President Glover added that increased measures had been taken to secure documentation from students enrolling in the dual enrollment programs. Director Davis shared with the committee that the follow-up of graduate student admissions was to determine if the two previous findings had been corrected. She noted that the details of that follow-up are outlined from pages 40 through 43 of the November 19, 2020, Board meeting materials. The other report from Director Davis pertained to the President's expense schedules for FY20. She noted that the findings were detailed on pages 46 to 49 in the Board materials dated November 19, 2020. Auditor Davis noted that there were no issues found here.

Director Davis shared with the committee the findings from the external audit. She stated that the two financial audits were the Financial and Compliance audit of TSU, and the Financial and Compliance audit of the Endowment for Educational Excellence at the TSU Foundation. The findings of these are detailed on page 50 of the Board materials dated November 19, 2020. These findings were noted as repeat findings. A CPA firm had been contracted to assist in correcting these and other findings.

President Glover shared that she was confident that the deadlines discussed will be met. Trustee Johnson commented that the Board should take a more prominent role in ensuring that the objectives are met. A discussion continued with VP Chase acknowledging that several additional personnel were being put in place, namely a new Controller and a new Director of Grants Accounting. He shared that a CPA firm was also hired to help.

Director Davis indicated that the Sunset Performance Audit had been released on November 17, 2020, but due to the timing, it was not included in her submission.

Trustee Cole summarized the risk factors associated with the findings of the Financial Audits and the Sunset Audit and suggested that VP Chase and others ensure that they take immediate and appropriate action to address the deficiencies. She pointed out that the timelines presented to the Board be met. She then thanked Director Davis for her 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 November 19, 2020, Board Meeting packet.

Director Davis discussed the list of outstanding internal and external audit issues as of October 26, 2020, as included in the Board Meeting packet.

With no 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: Cole, Lewis, and McKenzie.

VI. 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 McKenzie and Lewis seconded the motion, which was carried unanimously. The committee then transitioned into the executive session.

Following the Executive Session 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 12:15 pm.