

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

MINUTES

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

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

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

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

I. CALL TO ORDER

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

II. ROLL CALL/DECLARATION OF A QUORUM

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

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

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

IV. REPORT ON COMPLETED INTERNAL AUDITS REPORTS

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

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

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

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

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

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

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

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

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

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

V. REPORT ON OUTSTANDING AUDIT ISSUES

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

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

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

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

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

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

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

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

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

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

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

VI. REPORT ON UNIVERSITY'S RISK ASSESSMENT PROCESS

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

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

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

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

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

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

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

VI. ADJOURNMENT

There was no further discussion. The meeting was adjourned.