

**Tennessee State University Board of Trustees
Audit Committee Meeting. November 15, 2018
Tennessee State University. 3500 John A. Merritt Blvd. Nashville, Tennessee
McWherter Administration Building
President's Conference Room**

MINUTES

Committee Members Present: Dr. Deborah Cole and Dr. Edith Peterson Mitchell.

Other Board Members Present: Dr. Joseph Walker, III, Bill Freeman, Pam Martin, Dr. Ali Sekmen, Braxton Simpson, and Mr. Stephen Corbeil.

University Staff Present: President Glenda Glover; Mr. Laurence Pendleton, General Counsel and Board Secretary; Ms. Adrian Davis, Director of Internal Audit; Dr. Curtis Johnson, Chief of Staff and Associate Vice President of Administration; and Ms. Tamika Parker, Executive Assistant to the General Counsel.

Guests: Ms. Lauren Collier, Tennessee Higher Education Commission, Director of Institution and Board Affairs.

I. CALL TO ORDER

Trustee Cole called the meeting to order at 11:45 a.m. and welcomed all attendees.

II. ROLL CALL/DECLARATION OF A QUORUM

Board Secretary Pendleton called the roll at the committee chair's request. Trustees Cole and Mitchell were present. Secretary Pendleton announced the presence of a quorum.

III. APPROVAL OF SEPTEMBER 20, 2018, COMMITTEE MEETING MINUTES

Trustee Cole proceeded to the approval of the September 20, 2018, Audit Committee Meeting Minutes, as included in the November 15, 2018, board materials. Trustee Cole moved to approve the minutes. Trustee Mitchell seconded the motion, which carried unanimously.

IV. REVIEW OF COMPLETED INTERNAL AUDIT REPORTS

Dr. Glover asked Adrian Davis, Director of Internal Audit to provide the report for this item as the President's designee. Director Davis reported that the state audit found that the university did not perform its return of Title IV funds calculations in compliance with federal regulations for 51% of the aid recipients tested. Director Davis commented that errors in calculating days in the semester resulted in the university returning more aid than required and that Title IV funds were not returned to the Department of Education in a timely manner. Director Davis informed the committee that the repeat calculations for fall 2017 were also incorrect and will be redone for FY 17-18, FY18-19, and FY 19-20.

Trustee Mitchell asked if the recommended process adjustments would correct the systemic errors to which Director Davis responded affirmatively.

Trustee Cole asked Director Davis to perform a test of the plan for FY 19-20 and report the results for the next board meeting.

Director Davis then confirmed that the President's expenses, travel, hospitality, and holiday celebration expenses were all found to comply with state law.

Trustee Cole asked President Glover why her travel expenses only reflected \$400 total. Director Davis responded that President Glover pays some of her travel expenses herself and President Glover responded that she had nothing to add. Trustee Cole noted that the University should pay the authorized travel expenses to maintain an accurate expectation for the President's typical travel expenses. President Glover commented that she requests that organizations that invite her to come and speak cover the travel expenses to offset the costs to the university. Trustee Corbeil reiterated the need for the President to use the authorized travel expenses to avoid any conflict of interest or related appearance issues.

This was a discussion item, thus no vote was taken.

V. REVIEW OF THE EXTERNAL QUALITY ASSESSMENT REPORT

President Glover asked Director Davis to present information on the external audit. Director Davis commented that consecutive external annual audits have begun.

Director Davis reported that the Department of Internal Audit performed a self-assessment. Kraft CPAs validated the assessment and found that the university was generally conforming. The Department was advised to develop a manual by June 2019 to document risk mitigation, include a planning memo, and develop a follow-up process.

Trustee Lewis asked how many people work in the office for Internal Audit to which Director Davis answered two.

President Glover thanked Director Davis and her staff for their hard work. Trustee Lewis asked how the office came to work with Kraft CPSs and Director Davis responded that an open bid was conducted and Kraft was the lowest priced qualified bidder.

Trustee Cole asked if there was any other business, including fraud, that Director Davis was aware of that could potentially result in TSU being front-page negative news. Director Davis answered in the negative.

This was a discussion item, thus no vote was taken.

VI. EXECUTIVE SESSION - DISCUSSION OF LITIGATION AND OTHER ITEMS DEEMED CONFIDENTIAL UNDER STATE LAW

Trustee Cole moved to start the discussion of items deemed confidential under state law. Trustee Mitchell seconded the motion and the Executive Session of the audit committee began at 12:04 p.m.

VII. ADJOURNMENT

There was no further discussion. Trustee Cole moved to adjourn the meeting. Trustee Mitchell seconded the motion, which carried unanimously. The meeting was adjourned.