

**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.