

**Tennessee State University Board of Trustees  
Audit Committee Meeting. June 21, 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, Dr. Edith Peterson Mitchell, and Obie McKenzie (via conference call).

**Other Board Members Present:** Dr. Richard Lewis

**University Staff Present:** President Glenda Glover; Mr. Laurence Pendleton, University Counsel and Board Secretary; Ms. Cynthia Brooks, Vice President for Business and Finance; Dr. Curtis Johnson, Chief of Staff and Associate Vice President of Administration; and Ms. Adrian Davis, Director of Internal Audit.

**Guests:** Mr. Stephen Corbeil, and 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 8:05 a.m. and welcomed all attendees.

A round of introductions was made because this meeting was the first instance of attendance for several of the attendees.

**II. ROLL CALL/DECLARATION OF A QUORUM**

Board Secretary Pendleton called the roll at the committee chair's request. All members of the Audit Committee were present. Secretary Pendleton announced the presence of a quorum.

**III. APPROVAL OF March 15, 2018, COMMITTEE MEETING MINUTES**

Trustee Cole proceeded to the approval of the March 15, 2018, Audit Committee Meeting Minutes, as included in the June 21, 2018, board materials. Trustee Cole moved to approve the minutes. Trustee Mitchell seconded the motion, which carried unanimously.

**IV. ANNUAL REPORT ON THE AUDIT OFFICE'S ACTIVITIES**

Dr. Glover asked Adrian Davis, Director of Internal Audit to provide the report for this item as

her designee.

Adrian Davis reported that audit research and sponsorship programs remains to be audited. The Office of Internal Audit audited the federal work/study program and found that not all students were taking the mandated breaks, some student worked in excess of the twenty hour weekly limit, and some students were working while they were scheduled to attend classes. No fraudulent reporting of student work time was found. All records were found to be accurate.

Director Davis also noted that the office evaluated the participation of thirteen work/study athlete students and thirteen non-athlete students. Seventeen of the twenty-six students were found to have worked during their scheduled class time. Training for managers of students who participate in the work/study program will be mandated.

Director Davis stated that the triggers for investigations and audits were discussed. Complaints trigger investigations while audits are performed as scheduled.

This was an information item, thus no vote was taken.

## **V. DISCUSSION OF THE OFFICE'S QUALITY ASSURANCE AND IMPROVEMENT PROGRAM**

Dr. Glover asked Adrian Davis, Director of Internal Audit to provide the report for this item as her designee.

Director Davis reported that the program consists of two components: and Internal Audit, which is conducted by the TSU Office of Internal Audit, and an External Audit, which is conducted by an independent consultant.

Director Davis noted that the Internal Audit Office performed the last internal audit in August of 2013. Internal audits are required every five years. There are possible outcome determinations for internal audits:

1. Generally Conforming. The policies and procedures are being followed as prescribed.
2. Partially Conforming. The policies and procedures are followed substantially, but improvements would be possible and required to meet the Generally Conforming guidelines.
3. Non-Conforming. The policies and procedures are not being followed, and no attempt to follow them was found.

Director Davis informed the committee that the Office of Internal Audit conducted a search for a certified public accounting firm to conduct the external audit. Proposals were taken from several firms. KraftCPAs, PLLC of Columbia, TN was selected to conduct the 2018 external audit. Kraft is scheduled to submit its report to the Audit office in August. The Audit office will report the findings of the external audit to the Board of Trustees Audit Committee in September 2018.

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

## **VI. APPROVAL OF THE FISCAL YEAR 2018-19 AUDIT PLAN**

Dr. Glover asked Director Davis to provide the report for this item as her designee.

Director Davis discussed the Annual Audit Plan for Fiscal Year 2018-19, as provided on pages 35 and 36 of the Board of Trustees materials for the June 21, 2018, meeting was discussed. The President's designee provided details on the items and their corresponding functional areas to be audited, the hours allocated to audit each item, the schedule for conducting the audits, and the type of audits to be conducted.

Director Davis noted that every audit requested by the external auditor was completed.

Chair Cole suggested that the type of audit for University Scholarships be changed from Risk-Based (A) to Special Request to more accurately show the justification for the audit and that the University has been proactive in closely monitoring its scholarship funds.

Chair Cole then moved to recommend the approval of the Audit Plan as contained in the Board materials for the June 21, 2018, Board meeting with the modification to the type of audit for University Scholarships to be listed as Special Request to the full Board. Trustee Mitchell seconded the motion. There was no further discussion and Secretary Pendleton called the roll. The motion carried unanimously.

## **VII. DISCUSSION OF THE INSTITUTIONAL RISK ASSESSMENT**

Dr. Glover asked Adrian Davis, Director of Internal Audit to provide the report for this item as her designee.

The committee discussed the Institutional Risk Assessment that was used to develop the audit plan referenced supra. This was a discussion item, thus no vote was taken.

## **VIII. 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 at 8:35 a.m.