

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting – March 15, 2018
Tennessee State University Main Campus – McWherter Administration Building,
President’s Conference Room
3500 John A. Merritt Blvd., Nashville, Tennessee**

MINUTES

Committee Members Present: Dr. Deborah Cole and Dr. Edith Peterson Mitchell (via conference call).

Other Board Members Present: Dr. Ali Sekmen.

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: Ms. Lauren Collier, Tennessee Higher Education Commission, Director of Institution and Board Affairs, and Ms. Brittany Mosley, Tennessee Higher Education, Director of HBCU Success.

I. CALL TO ORDER

Trustee Cole called the meeting to order at 8:30 a.m. After calling the meeting to order, Trustee Cole opened the meeting with a statement regarding the necessity for the Audit Committee to conduct an electronic meeting.

Trustee Cole noted that pursuant to Tennessee Code Annotated (T.C.A.), § 8-44-108 (b) (3), the Audit Committee made the determination of necessity to conduct an electronic meeting on March 15, 2018 at 8:30 a.m. as a physical quorum of the committee was not present.

Trustee Cole also stated that in accordance with T.C. A. § 8-44-108 (b) (2), the Audit Committee offered the following facts and circumstances on which the Audit Committee made the determination of necessity:

- The Audit Committee was scheduled to address important audit related matters that required the committee’s timely action, including the approval of the Office of Internal Audit’s Charter, the review of Completed Internal Audits, and the discussion of items deemed confidential under State law.
- One of the Audit Committee members did not attend in person due to an unforeseen flight cancellation and, as a result, the physical presence of a quorum of the Audit Committee was not practical within the period of time requiring action.

- For these reasons, the Audit Committee determined that meeting participation by a quorum of the Audit Committee members by electronic means of communication was necessary.

Trustee Cole made the motion that a necessity did exist for the meeting to proceed by electronic means. Trustee Mitchell seconded the motion. There was no discussion and Trustee Cole called for a vote. Secretary Pendleton called the roll. The motion carried unanimously.

Trustee Cole then asked President Glover to introduce the Guests and University Staff that were present. President Glover introduced everyone in attendance at the Audit Committee meeting on March 15, 2018.

II. ROLL CALL/DECLARATION OF A QUORUM

Trustee Cole asked Board Secretary Pendleton to call the roll. Secretary Pendleton called the roll, which reflected that Audit Committee member Mitchell was present via conference call. Secretary Pendleton then announced the presence of a quorum.

III. APPROVAL OF NOVEMBER 16, 2017, COMMITTEE MEETING MINUTES

Trustee Cole announced the next item on the agenda, which was the approval of the November 16, 2017, Audit Committee minutes. Trustee Mitchell moved to recommend to the full Board the approval of the November 16, 2017, Audit Committee minutes, as contained in the Board materials for the March 15, 2018, Board meeting. Trustee Mitchell seconded the motion. There was no discussion and Trustee Cole called for a vote. Secretary Pendleton called the roll. The motion carried unanimously.

IV. APPROVAL OF THE OFFICE OF INTERNAL AUDIT'S CHARTER

Trustee Cole moved to the next item on the agenda – approval of the Office of Internal Audit's Charter. Trustee Cole informed the Board that pursuant to the Audit Committee Charter, the Audit Committee is responsible for the review and approval of the Internal Audit Charter for the University's Office of Internal Audit. Trustee Cole then recognized President Glover for discussion of the agenda item. President Glover deferred to Ms. Adrian Davis, Director of Internal Audit, to provide pertinent information related to the agenda item.

Ms. Davis advised that the Audit Committee is required to follow the Institute of Internal Auditors (IAA) Standards, which states that the authority and requirements be documented in the Internal Audit's Charter. She noted that the current Charter was reviewed by the Tennessee Board of Regents when it served as the governing board for TSU.

Trustee Cole thanked Ms. Davis for the information and moved to recommend the approval of the Audit Charter, as contained in the Board materials for the March 15, 2018, Board meeting, to the full Board. Trustee Mitchell seconded the motion. There was no further discussion and Secretary Pendleton called the roll. The motion carried unanimously.

V. REVIEW OF THE COMPLETED INTERNAL AUDITS

Trustee Cole moved to the next item on the agenda, which was the review of the Completed Internal Audits. She also advised that the information regarding this agenda items was informational and no vote was required.

Trustee Cole asked President Glover to provide pertinent information on the agenda item. President Glover yielded the floor to her designee, Ms. Adrian Davis, Director of Internal Audit, to provide the pertinent information.

Ms. Davis provided a brief follow-up to the completed internal audit reports:

One of the completed reports was a follow-up report to the findings by State Audit. State law requires Internal Audit department to complete a report on the status of the implementation of the state's recommendations within six (6) months of issuance. The findings noted in the report were due to errors contained in the financial statements and notes. In addition, the financial reporting findings in TSU's Foundation Endowment for Educational Excellence were due to errors contained in the notes. Ms. Davis informed the committee that all of the items noted in the report were appropriately addressed.

An additional report was completed on the Technology Access Fee (TAF). The TAF allows students access to computer technology, but there are only certain types of expenses that are allowable with the funds. Internal Audit conducted an audit on TAF for FY 15-FY 16 to determine if the fees were allowable. The audit revealed no findings.

Trustee Cole confirmed with Director Davis that all items were addressed and there were no additional issues with respect to the information provided. Ms. Davis confirmed there were no items to address. Trustee Cole thanked President Glover and the team for the presentation of the reports.

VI. ADJOURNMENT

With no further items on the public portion of the agenda, Trustee Cole moved to adjourn the public portion of the meeting and enter into the Executive Session for discussion of items deemed confidential under state law. Trustee Mitchell seconded the motion. Trustee Cole called for a vote and the motion carried unanimously.

The Board of Trustees Audit Committee meeting adjourned at 8:43 a.m.